

EIMCO ELECON (INDIA) LIMITED

**ANNUAL REPORT
2015-2016**



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 42nd Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be held on MONDAY, the 25th July, 2016 at 04.00 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 (Including the Consolidated Financial Statements) of the Company for the financial year ended on March 31, 2016 and the reports of the Board of Directors & Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. P. C. Amin (DIN 01056652) who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of statutory Auditors.

“RESOLVED THAT that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment thereof, for the time being in force), the appointment of M/s Talati & Talati (Registration No.110758W) made at the 41st Annual General Meeting held on 13th August, 2015, at such remuneration plus service tax, out of pocket expenses, travelling expenses, etc, mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby ratified and confirmed”.

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 Sections 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the reappointment of Mr. M. G. Rao as the Wholetime Director of the Company for a period of three years with effect from 8th September 2016, on the terms and conditions including remunerations set out in the

draft Agreement to be entered into between the Company and Mr. M. G. Rao, copy whereof initialed by the Chairman for the purpose of identification placed before this meeting be and is hereby approved.”

“RESOLVED FURTHER THAT subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 2013, in the event of inadequacy or absence of profits, Mr. M. G. Rao, be paid the remuneration as set out in the Draft Agreement to be entered into between the Company and Mr. M. G. Rao, as the Minimum Remuneration subject to the limits laid down in Schedule V to the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. M. G. Rao, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this resolution.”

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 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 2017 to M/s 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 2017, amounting to ₹ 32,000/- (Rupees thirty two thousand) plus Taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By order of the Board of Directors

Registered office:

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

Date : 27th April 2016

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 & 6 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 19-07-2016 to 25-07-2016 (both days inclusive).**
- D. The payment of dividend on equity shares as recommended by the directors for the year ended 31st March, 2016 when declared at the meeting will be paid:**
- To those members whose names appear in the Register of Members of the Company on 19-07-2016.
 - 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 18-07-2016.
- E. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on 28-07-2016.**
- 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 Regulation 39(4) read with schedule VI of the Listing Regulations 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, 2015.	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, 2016.	24	1450

By order of the Board of Directors

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

Date : 27th April, 2016

Nilesh D. Shelat
Company Secretary

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

- (i) The voting period begins on 22-07-2016 at 09.00 a.m. and ends on 24-07-2016 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 of 18-07-2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN Number	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant (EIMCO ELECON (INDIA) LTD.) on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 22-07-2016 (09.00 a.m.) and ends on 24-07-2016 (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. 18th July, 2016.

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

On the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 27-04-2016, has reappointed Mr. M. G. Rao, as Wholetime Director of the Company with effect from 8-9-2016 for a period of Three (3) years, subject to approval of shareholders at the ensuing Annual General Meeting. The brief particulars of his remuneration are as mentioned herein below :

1. The Wholetime Director shall be subject to the superintendence, control, and direction of the Board of Directors and he will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.
2. Period of Appointment : THREE years with effect from 8th September, 2016.
3. Remuneration payable to Mr. M.G. Rao
 - (a) Basic Salary : ₹ 2,50,000/- pm with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum salary of ₹ 5,00,000/- pm.
 - (b) Medical allowance : ₹ 1,00,000/- pm
 - (c) Leave Travel Allowance : ₹ 25,000/- pm
 - (d) Furnishing Allowance : ₹ 2,11,000/- pm
 - (e) Adhoc : ₹ 37,500/- pm
 - (f) Books and periodicals : ₹ 500/- pm
 - (g) Uniform Expenses : ₹ 1,000/- pm Allowance
 - (h) Annual Bonus of ₹ 5 lacs with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum amount of ₹ 10 lacs pa.

Perquisites : In addition to above, he shall also be entitled to perquisites and allowance like Rent-free furnished accommodation, expenditure incurred by the Company on gas, electricity, water and furnishing to be valued as per the Income Tax Rules.

Provident Fund and Gratuity on the fixed monthly salary in accordance to the Company's Rules.

Leave encashment as per the rules of the company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

The company shall provide car with driver at the entire cost of the company for use on Company's business and the same will not be considered as perquisites.

The company shall provide telephone and other communication facilities at the residence for use on

company's business and the same will not be considered as perquisites.

The Wholetime Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Minimum Remuneration : Notwithstanding anything herein contained, where in any financial year during the currency of tenure of the Wholetime Director, the Company has no profits or the profits are inadequate, the Company will pay remuneration by way of salary and perquisites as stated above but shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013 and other provisions thereof or any amendments, variations, modifications or reenactment.

The draft agreement between the Company and Mr. M. G. Rao is available for inspection by the Members of the Company at its Registered Office between 10.00 a.m. and 12.00 noon on any working day of the Company till the date of Annual General Meeting.

The Board recommends the resolution as set out at item No. 5 of the Notice for your approval.

None of the Directors, key Managerial Personnel of the Company and their relatives are concerned or interested, Financially or otherwise, in passing of this resolution except Mr. M. G. Rao.

Item No.6

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, 2017 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.

By order of the Board of Directors

Registered office:

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

Date : 27th April, 2016

Nilesh D. Shelat
Company Secretary

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting.
1. Mr. P. C. Amin

The Board had appointed Mr. P. C. Amin as a Director of the company with effect from 25-10-2007, liable to retire by rotation. Mr. P. C. Amin is due to retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. Mr. P. C. Amin is 60 years old and holds a Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani, India. His other Directorships and Committee Memberships of other Companies are as under:

Company	Position	Committee Memberships in other Public Companies	Chairman/Member
Elecon Engineering Co. Ltd.	Executive Director	CSR Committee Risk Management Committee	Member
Elecon EPC Projects Ltd	Director	Audit Committee	Member
		CSR Committee Risk Management Committee	Member
Emtici Engineering Ltd	Director	CSR Committee	Nil
Akaaish Mechatronics Ltd.	Director	Nil	Nil
Eimco Elecon Electricals Ltd.	Director	Nil	Nil
Elecon Information Technology Ltd.	Director	Nil	Nil
Madhubhan Prayas Resorts Ltd.	Director	Nil	Nil
Prayas Engineering Ltd.	Director	Nil	Nil
Elecon Peripherals Ltd.	Director	Nil	Nil

BOARD'S REPORT

To:
The Members of EIMCO ELECON (INDIA) LTD.

The Directors take pleasure in presenting the 42nd Annual Report together with the audited financial statements for the year ended 31st March, 2016. The Management Discussion and Analysis has also been incorporated in this report.

1. HIGHLIGHTS OF PERFORMANCE

Total revenue for the year decreased to ₹ 143.44 crores as compared to ₹ 201.84 crores in the previous year.

During the year, Coal India Ltd. focused more on Open Cast Mines than underground mines, where our products are supplied, and also few of the tenders were delayed by some of the subsidiaries of Coal India Ltd., hence the company's sales were affected.

Profit before tax for the year was ₹ 22.46 crores as compared to ₹ 30.08 crores in the previous year.

Profit after tax for the year was ₹ 16.63 crores as compared to ₹ 21.51 crores in the previous year.

2. FINANCIAL RESULTS

(₹ in Lacs)

	31-03-2016 Standalone (₹)	31-03-2015 Standalone (₹)	31-03-2016 Consolidated (₹)
Profit Before Tax	2246.93	3008.15	2289.21
Less: Provision for Taxation	583.14	856.30	583.14
PROFIT AFTER TAX	1663.79	2151.85	1706.07
Add: Balance brought forward from last year	411.03	306.65	411.03
	2074.82	2458.50	2117.10
APPROPRIATED AS			
Proposed Dividend	288.42	288.42	288.42
Tax on Distributed Profit	58.72	59.05	58.72
Transfer to General Reserve	1300.00	1700.00	1300.00
Balance Carried Forward	427.68	411.03	469.96
Total	2074.82	2458.50	2117.10

3. DIVIDEND

Your directors recommend for your consideration a dividend of ₹ 5/- (previous year ₹ 5/-) per share of ₹ 10/- each for the year ended 31st March, 2016.

4. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has no subsidiary and Joint venture companies.

Associated Companies :

Eimco Elecon Electricals Limited

The Company holds 47.62% of the Equity Shares of Eimco Elecon Electricals Ltd. The profit after Tax for the year ended 31st March, 2016 was ₹ 83.84 Lacs as against ₹ 205.50 Lacs for the year ended 31st March, 2015.

Wizard Fincap Limited

The Company holds 24.95% of the Equity Shares of Wizard Fincap Ltd. The profit after Tax for the year ended 31st March, 2016 was ₹ 11.96 Lacs as against profit of ₹ 5.79 Lacs for the year ended 31st March, 2015.

5. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 5.76 crores. During the year under review, the Company has not issued shares with differential voting nor granted stock options nor sweat equity.

6. FINANCE

Your Company continues to be debt free. The Company continues to focus on judicious management of its working capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring. The whole of the properties of the Company have been suitably insured.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

8. FIXED DEPOSITS

The Company has not accepted deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

9. DIRECTORS

Mr. P. C. Amin retires by rotation and, being eligible, offers himself for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

None of the Director of your Company is disqualified as per the provisions of section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

10.1 Audit Committee:

The Board has constituted an Audit Committee pursuant to the provisions of Section 177(1) of the Companies Act, 2013. The Composition of Audit Committee is as under:

Mr. Nalin Shah (Chairman)

Mr. H. S. Parikh (Member)

Mr. Nirmal Bhogilal (Member)

Mr. P. M. Patel (Member)

The recommendations of the Audit Committee were accepted by the Board of Directors of the Company from time to time.

10.2 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 (The Companies (Accounts) Rules, 2014 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

10.3 Remuneration policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

10.4 Meetings

During the year four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Companies' internal financial controls were adequate and effective during the year ended 31st March, 2016. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom.
2. They have in the selection of the accounting policies consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date.
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. They have prepared the the annual accounts on a going concern basis.
5. They have laid internal financial controls in to be followed by the Company and that such Internal financial controls are adequate and were operating effectively during the year ended 31st March, 2016.
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31st March, 2016.

12. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the Company's business.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and in the ordinary course of the Company's business.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken project in the area of Education. This project is in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as Annexure "A".

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by the Regulators/courts which would impact the going concern status of the Company and its future operations.

15. MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as Annexure "G" to this Report.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations.

17. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. The Whistle Blower Policy is disclosed on the website of the Company.

18. CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Listing Agreements with the Stock Exchanges, are complied with.

A detailed report on Corporate Governance is appearing as Annexure 'B' to this Report along with

the Auditors' Certificate on its compliance by the Company.

19. PERSONNEL

Industrial relations in the Company were cordial throughout the year under review. The Board of Directors of the Company wishes to place on record its sincere appreciation for the continued support and good work of all employees.

As required by the provisions of The Companies (Appointment and Remuneration of of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure 'C' to the Directors' Report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars required to be disclosed in this report pursuant to the provision of The Companies (Accounts) Rules, 2014 are given in Annexure 'D' forming part of this report.

21. AUDITORS

M/s Talati & Talati, Chartered Accountants, Statutory Auditors were appointed for a period of two years at the last Annual General Meeting, subject to ratification of their appointment every year. You are requested to ratify their appointment pursuant to the provisions of Section 139 of the Companies Act, 2013.

22. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s Y. S. Thakar & Co. to audit the cost accounts of the Company for the financial year ending 31st March 2017 on a remuneration of ₹ 32,000/- Plus Taxes as applicable and out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Y. S. Thakar & Co., the Cost Auditors, is included at Item No. 6 of the Notice convening the Annual General Meeting.

23. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of

the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs D. G. Bhimani & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure 'E'".

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 are annexed herewith as "Annexure 'F'".

25. INSURANCE

The Company takes a very pragmatic approach towards insurance. Adequate insurance cover has been taken for all movable and immovable assets for various types of risks.

26. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Act and Rules framed thereunder.

27. RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework. The Company monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16 :

No. of complaints received	: Nil
No. of complaints disposed off	: N.A.

29. ACKNOWLEDGEMENT

The Board records its thanks to the Company's Bankers, Financial Institutions, Government, Collaborators and other agencies for their support extended to the Company and look forward to their continued support.

For and on behalf of the Board of Directors

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 27th April, 2016

**ANNEXURE - 'A' TO BOARD'S REPORT - ITEM NO.13****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

CSR Policy is stated herein below:

Weblink:

<http://www.eimcoelecon.in/Policy/CSR policy>

2. **Composition of the CSR Committee:**

Mr. H. S. Parikh (Chairman-Independent Director)

Mr. P. M. Patel

Mr. P. C. Amin

3. Average net profit of the Company for last three Financial Years ₹ 26.13 crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 52.28 lacs
5. Details of CSR spend for the financial year:
- a. Total amount spent for the financial year: ₹ 52.34 lacs
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amt. Outlay (Budget) – Project/Programme wise	Amt. spent on projects or programme Sub Heads:-	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency*
					1) Direct Exp.		
					₹ Lacs	₹ Lacs	₹ Lacs
1.	Women Institute of Engineering	Education	Vallabh Vidyanagar Dist : Anand State : Gujarat	-	52.34	52.34	52.34

*Details of implementing agency - B. I. Patel Charitable Trust.

Our CSR responsibilities:

We hereby affirm that the CSR Policy, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

For and on behalf of the Board of Directors

H. S. Parikh
Director

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 27th April, 2016

Corporate Governance Report

ANNEXURE 'B' TO THE BOARD'S REPORT - ITEM NO.18

A. MANDATORY REQUIREMENTS

Company's philosophy

The Company is committed to good Corporate Governance. The mandatory requirements of Regulation 34 of the Listing Agreement with the Stock Exchanges have been fully implemented by your Company. The Company firmly believes in the rights of its stakeholders to information regarding the Company's business and financial performance.

Board of Directors (the Board)

Composition of the Board as on March 31, 2016

Category	No. of Directors
Independent Directors	4
Other Non Executive Directors	2
Wholetime Director	1
Total	7

The brief profile of the Company's Board of Directors is as under:

Mr. P. M. Patel, Chairman

Mr. P. M. Patel was appointed as Director from 11th January, 1996. Mr. P. M. Patel is MBA and 69 years of age. He is associated with Bearing Industry. Mr. P. M. Patel is a member of the Audit, Nomination and Remuneration, Risk, and Corporate Social Responsibility Committees of the Board.

Mr. Nalin Shah, Independent Director

Mr. Nalin Shah was appointed as director from 8th May, 2012. Mr. Nalin Shah is a Chartered Accountant from England & Wales. Before joining the Board, he was partner in Deloitte Haskins & Sells. Mr. Nalin Shah is Chairman of the Audit Committee.

Mr. Nirmal Bhogilal, Independent Director

Mr. Nirmal Bhogilal was appointed as Director with effect from 23rd September, 2011. Mr. Nirmal Bhogilal is B.Sc.(Engg.) Chemical Engg. (London University) A.C.G.I. He is Chairman and Managing Director of Batliboi Ltd since 1973. Mr. Nirmal Bhogilal is a member in Audit and Nomination & Remuneration Committees of the Board.

Mr. H. S. Parikh, Independent Director

Mr. H. S. Parikh was appointed as Director with effect from 9th May, 1992. Mr. H. S. Parikh is a practising Chartered Accountant. Mr. H. S. Parikh is a member of the Audit, Nomination & Remuneration, CSR and Chairman of Stakeholders' Relationship Committees of the Board.

Mrs. Manjuladevi Shroff, Independent Director

Mrs. Manjuladevi Shroff was appointed as Director with effect from 2nd February, 2015.

She is postgraduate from York University and executive alumni from London School of Economics. She is post-graduate from Utkal University and is a Graduate of Management Education Programme IIM, Ahmedabad.

Mr. P. C. Amin, Non-Independent Director

Mr. P. C. Amin was appointed as Director from 25th October, 2007. He holds Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani. Mr. P. C. Amin is a member of the CSR and Risk Management Committee.

Mr. M. G. Rao, Wholetime Director

Mr. M. G. Rao was appointed as Whole-time Director from 8th September, 2011. Mr. M. G. Rao holds M. E. (Welding) degree and has more than 36 years of experience in various industries.

BOARD MEETINGS AND PROCEDURES

(A) Scheduling and selection of Agenda items for Board Meetings

- i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.
- ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the approval of Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.
- iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.
- iv. As per convenience of the Members of the Board, the Board Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand, Gujarat or at Mumbai.
- v. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide inputs to the items discussed by the Board as and when required.

(B) Recording minutes of proceedings at the Board Meeting:

A minute of the proceedings of each Board Meeting is recorded and the same is read in the next Board Meeting. The minutes of the proceedings of the meetings are entered in the minutes book and the same are signed by the Chairman as prescribed in the Companies Act, 2013

**(C) Compliance**

The Compliance Officer while preparing the agenda notes is responsible for and is required to ensure adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act,

2013, SEBI Guidelines, Listing Agreements, and other statutory requirements pertaining to capital market. The Board of Directors reviews a quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

During the year 2015-2016, four (4) Board Meetings were held i.e. on

1st May, 2015

13th August, 2015

27th October, 2015

21st January, 2016

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attendance at AGM held on 13 th August 2015	No of other Directorships in other companies (excluding Directorships in foreign and private companies)	No of Committee position held in other public companies*	
						Member	Chairman
1	Mr. P. M. Patel	NED(P)	4	Yes	4	3	Nil
2	Mr. P. C. Amin	NED(P)	4	Yes	9	1	Nil
3	Mr. Nalin Shah	NED(I)	4	Yes	8	5	4
4	Mr. Nirmal Bhogilal	NED(I)	2	Yes	1	1	Nil
5	Mr. H. S. Parikh	NED(I)	4	Yes	3	5	Nil
6	Mrs. Manjuladevi Shroff	NED(I)	3	No	6	1	Nil
7	Mr. M. G. Rao	WTD	4	Yes	1	Nil	Nil

*Only Audit Committee and Stakeholders' Relationship Committee has been considered.

NED (P) : Non Executive Director (Promoter)

NED (I) : Non Executive Director (Independent)

WTD : Wholetime Director

Personal Shareholding of Non-Executive Directors is as follows :

No. of Equity shares as at the year end.

Mr. P. M. Patel	Nil
Mr. H. S. Parikh	1300 Shares
Mr. P. C. Amin	1275 Shares
Mr. Nalin Shah	Nil
Mr. Nirmal Bhogilal	Nil
Mrs. Manjuladevi Shroff	Nil

Audit Committee

The composition of the Audit Committee is as under:

Mr. Nalin Shah (Chartered Accountant)	Chairman	NED-I
Mr. H. S. Parikh (Chartered Accountant)	Member	NED-I
Mr. P. M. Patel	Member	NED-P
Mr. Nirmal Bhogilal	Member	NED-I

The Wholetime Director, Company Secretary, Head of Accounts, Internal Auditors and Statutory Auditors are invitees to the Meetings.

Meetings and attendance during the year :

Members	Attendance at Committee Meeting held on			
	1 st May 2015	13 th August, 2015	27 th October, 2015	21 st January, 2016
Mr. Nalin Shah	Yes	Yes	Yes	Yes
Mr. P. M. Patel	Yes	Yes	Yes	Yes
Mr. Nirmal Bhogilal	No	Yes	No	Yes
Mr. H. S. Parikh	Yes	Yes	Yes	Yes

Nomination & Remuneration Committee

The composition of the Nomination & Remuneration Committee is as under :

Mr. H. S. Parikh	Chairman	NED-I
Mr. P. M. Patel	Member	NED-P
Mr. Nirmal Bhogilal	Member	NED-I

Meetings and attendance during the year :

Members	1 st May 2015
Mr. H. S. Parikh	Yes
Mr. P. M. Patel	Yes
Mr. Nirmal Bhogilal	No

The details of remuneration paid to the Wholetime Director are as under :

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Mr. M. G. Rao Wholetime Director	4,78,500 p.m. + 15,00,000 Bonus p.a. (Maximum)	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	Nil	79,04,197	5 years from 08-09-2011



Bonus	Nil
Stock Options	Nil
Pension	Nil
Others	Nil

The details of remuneration paid to Non-Executive Directors are as under :

Name	Sitting Fees		Commission	Total (₹)
	Board Meeting	Committee Meeting		
Mr. P. M. Patel	1,00,000	1,32,500	2,50,000	4,82,500
Mr. H. S. Parikh	1,00,000	1,32,500	2,50,000	4,82,500
Mr. P. C. Amin	1,00,000	10,000	2,50,000	3,60,000
Mr. Nalin Shah	1,00,000	1,00,000	2,50,000	4,50,000
Mr. Nirmal Bhogilal	50,000	50,000	2,50,000	3,50,000
Mrs. Manjuladevi Shroff	75,000	Nil	2,50,000	3,25,000

Stakeholders' Relationship Committee.

Stakeholders Relationship Committee consists of the following Directors. :

Mr. H. S. Parikh	Chairman	NED-I
Mr. P. M. Patel	Member	NED-P
Mr. N. D. Shelat	Member	Company Secretary & Compliance Officer

Name	1 st May, 2015	27 th October, 2015	21 st January, 2016
Mr. H. S. Parikh	Yes	Yes	Yes
Mr. P. M. Patel	Yes	Yes	Yes
Mr. N. D. Shelat	Yes	Yes	Yes

i.	Number of Shareholders' complaints received so far	Nil
ii.	Number of complaints not solved to the satisfaction of the shareholders	Nil
iii.	Number of pending complaints	Nil

Corporate Social Responsibility (CSR) Committee

The composition of the Corporate Social Responsibility Committee and the details of Members' participation at the meeting are as under:

Name			Attendance At 1 st May 2015	Attendance at 27 th October 2015
Mr. H. S. Parikh	Chairman	NED-I	Yes	Yes
Mr. P. M. Patel	Member	NED-P	Yes	Yes
Mr. P. C. Amin	Member	NED-P	Yes	Yes

Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the organization. The composition of the Risk Committee is as under:

Mr. P. M. Patel	Chairman	NED-P
Mr. P. C. Amin	Member	NED-P
Mr. M. G. Rao	Member	Wholetime Director
Mr. Vijay Singh	Member	Executive
Mr. N. D. Shelat	Member	Executive

Independent Directors' Meeting

During the year under review, the Independent Directors met on 21st January 2016, inter alia, to discuss:

Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.

Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. During the first Board Meeting attended, each newly appointed Independent Director is taken through a formal induction program including the presentation from the Wholetime Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Familiarisation Programme for Independent Directors includes a detailed presentation by Business and Functional Heads, visit to the manufacturing site etc.

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms Length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

DISCLOSURES**Strictures and Penalties**

Due to technical problem there was delay in filing Shareholding Pattern for the quarter ended 31-3-2015 and the Company has paid additional fee of ₹ 83,911/-, except this there was no additional payment during the year.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on Oracle-ERP and has a strong monitoring and reporting process resulting in financial discipline and accountability.

CODE OF CONDUCT**i) For prevention of Insider Trading**

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for adherence to "Code for Prevention of Insider Trading".

ii) For Board of Directors (including Independent Directors) and Senior Management

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The code of conduct is posted on the website of the Company <http://eimcoelecon.in>. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2016.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy. The Company takes cognizance of complaints made and suggestions given by the employees and others. No employee of the Company has been denied access to the Audit Committee.

General Body Meetings**A. Annual General Meetings**

The location, date and time of the last three Annual General Meetings held are as under:

Year	Venue	Date	Time
2014-2015	Registered Office at Vallabh Vidyanagar, Gujarat	13-08-2015	4.30 P.M.
2013-2014	-do-	05-08-2014	2.30 P.M.
2012-2013	-do-	01-08-2013	12.00 Noon

B. Special Resolution

Particulars of Special Resolution passed is as follows:

Financial Year	Date	Particulars
2013-2014	05-08-2014	To make payment of Commission to Non Executive Directors under Section 197 of the Companies Act, 2013 Power to borrow upto ₹ 100 crores under Section 180(1) (c) of the Companies Act, 2013

C. Postal Ballot

The Company has not passed any resolution through postal ballot during the year 2015-16.

CEO/CFO Certification

The Wholetime Director and the Chief Financial Officer of the Company has certified to the Board as required.

Means of Communication

i.	Half yearly report sent to each shareholders residence.	No
ii.	In which newspapers quarterly results were normally published.	Economic Times (English & Gujarati), Business Standard (English), Jansatta (Gujarati)
iii.	Any website where results or official news are displayed.	www.eimcoelecon.in
iv.	The presentation made to institutional investors or to the analysts.	No.
v.	Whether Management Discussion and Analysis is part of Annual Report or not	Yes, contained in the Directors' Report

General Shareholder Information

- i. AGM – date, time and venue Monday, the 25th July 2016 at 04.00 p.m. at Regd. Office Vallabh Vidyanagar.
- ii. Financial year 2015-2016 (year ending 31-03-2016)
- iii. Book Closure Date 19-07-2016 to 25-07-2016 (both days inclusive)
- iv. Dividend payment Date Credit / Dispatch of dividend warrants on 28-07-2016
- v. Unclaimed Dividend :

Section 125 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.



Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
2008-2009	30 th July, 2009	1 st August, 2009	29 th July, 2016
2009-2010	30 th July, 2010	2 nd August, 2010	29 th July, 2017
2010-2011	2 nd August, 2011	3 rd August, 2011	1 st August, 2018
2011-2012	30 th July, 2012	2 nd August, 2012	29 th July, 2019
2012-2013	1 st August, 2013	3 rd August, 2013	31 st July, 2020
2013-2014	5 th August, 2014	7 th August, 2014	4 th August, 2021
2014-2015	13 th August, 2015	17 th August, 2015	12 th August, 2022

vi. Listing on Stock Exchanges

The Company's shares are listed on the following stock exchanges :

BSE Limited

P. J. Towers, 25th Floor, Dalal Street,
Mumbai - 400 001.

The National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block

Bandra - Kurla Complex Bandra (E)

Mumbai - 400 051.

The listing fee for the year 2015-2016 for the above Stock Exchanges has been paid in time and there being neither de-listing nor suspension of company's shares from trading during the year under review.

vii. Stock Code

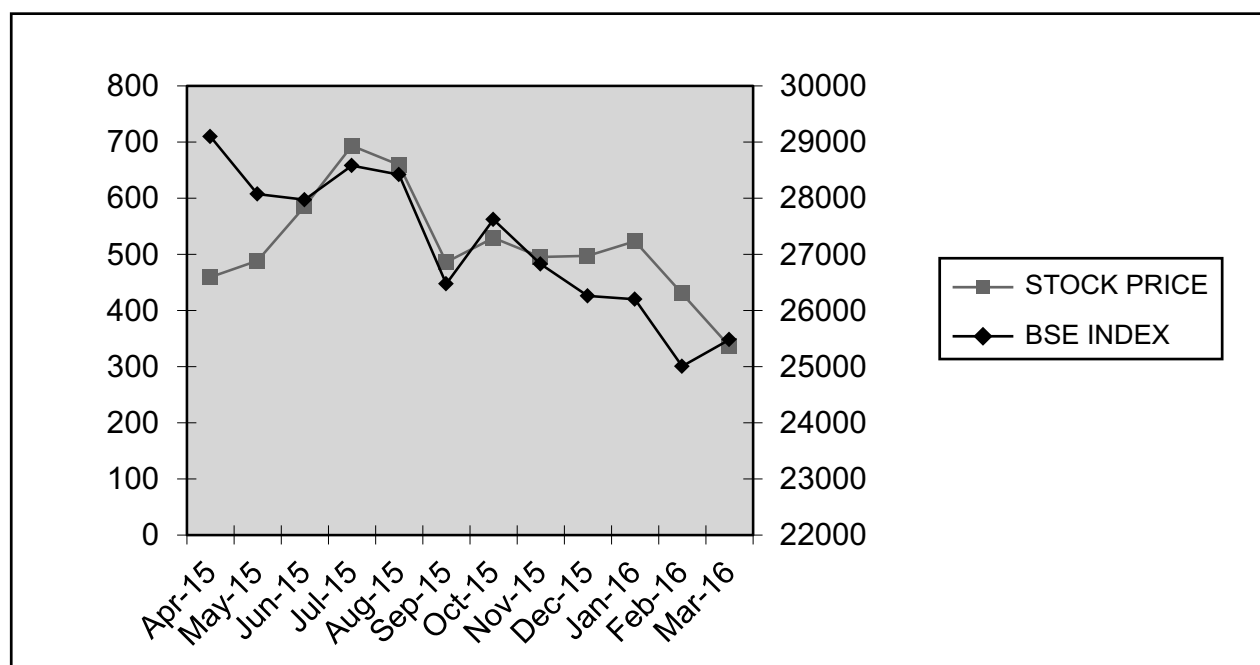
The Stock Code of Company's shares is as follows :

Name of the Stock Exchange	Code No.
BSE Ltd.	523708
National Stock Exchange of India Ltd.	EIMCOELECO EQ
ISIN No. for Shares in Demat mode	INE 158B01016

viii. Market Price Data

	BSE Ltd. (BSE)			BSE Index		National Stock Exchange of India Ltd. (NSE)		
	High ₹	Low ₹	Volume (No.)	High	Low	High ₹	Low ₹	Volume (No.)
Apr 2015	459.00	381.10	8208	29094.61	26897.54	453.00	385.00	6402
May 2015	488.20	427.50	20080	28071.16	26423.99	473.30	417.00	12380
Jun 2015	585.10	420.00	41897	27968.75	26307.07	579.20	418.10	20796
Jul 2015	693.00	530.00	53733	28578.33	27416.39	695.00	520.00	40580
Aug 2015	659.00	429.50	28710	28417.59	25298.42	657.50	436.90	15306
Sep 2015	486.00	423.70	12148	26471.82	24833.54	496.80	415.00	12654
Oct 2015	529.00	437.00	13376	27618.14	26168.71	529.00	436.10	6284
Nov 2015	495.00	432.00	9952	26824.30	25451.42	491.90	425.00	9596
Dec 2015	497.00	415.10	10893	26256.42	24867.73	482.50	422.00	11316
Jan 2016	522.70	412.00	19077	26197.27	23839.76	510.00	412.30	21904
Feb 2016	430.00	275.80	18207	25002.32	22494.61	430.00	285.00	19579
Mar 2016	336.10	293.00	28595	25479.62	23133.18	330.00	288.00	15384

ix. Index graph



x. Share Transfer System

No. of Transfers during the year : 8
 No. of Shares transferred : 700

xi. Distribution of shareholding as on 31st March, 2016:

Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of Shareholding
1-500	4660	93.8759	500499	8.6766
501-1000	130	2.6189	101296	1.7561
1001-2000	75	1.5109	105184	1.8235
2001-3000	28	0.5641	72699	1.2603
3001-4000	15	0.3022	53038	0.9195
4001-5000	21	0.4230	99712	1.7285
5001-10000	14	0.2820	100105	1.7354
10001 & above	21	0.4230	4735852	82.1001
Total	4964	100.0000	5768385	100.0000

xii. Shareholding Pattern as at 31st March, 2016

	Category	No. of shares held	% of Shareholding
A	Promoters' holding		
1.	- Indian promoters	2817645	48.8463
	- Foreign Promoters	1447875	25.1002
2.	- Persons acting in concert	6275	0.1088
	Sub-total	4271795	74.0553
B.	Non-Promoters' Holding		
3.	Institutions		
a.	Mutual Funds / UTI	276428	4.7921
b.	Financial Institutions/ Banks	205	0.0036
	Sub-total	276633	4.7957
4.	Non-Institutions		
a.	Bodies Corporate	161393	2.7979
b.	Indian Public	1031148	17.8759
c.	Non-Resident Indians	18178	0.3151
d.	Any Other	9238	0.1601
	Sub-total	1219957	21.1490
	GRAND TOTAL	5768385	100.0000

xiii. Dematerialization of shares and liquidity.

As directed by SEBI, trading in the shares of the company have compulsorily to be in dematerialized form for all the investors with effect from 26th June, 2000.

As on 31st March 2016, 72.80% (4199554 Shares) have been dematerialized.

xiv. Outstanding GDR/ADR/Warrants or convertible instruments :

Nil

xv. Plant location : Eimco Elecon (India) Ltd.
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120
Dist. Anand, Gujarat

xvi. Address for correspondence: As above

xvii. Registrar & Share Transfer Agents

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

Vadodara Office :
M/s. Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota.
Vadodara - 390 020.
EMAIL : vadodara@linkintime.co.in
Phone number - 0265-2356573
0265-2356794

B. NON-MANDATORY REQUIREMENTS**1) AUDIT QUALIFICATIONS**

Company may move towards a regime of unqualified financial statements.

2) REPORTING OF INTERNAL AUDITOR

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

For and on behalf of the Board of Directors

Place : Vallabh Vidyanagar
Date : 27th April, 2016

P. C. Amin
Director

M. G. Rao
Wholetime Director

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Listing Agreement, this is to confirm that all the members of the Board and senior management personnel have affirmed Compliance with the code of Conduct for the year ended 31st March, 2016.

Place : Vallabh Vidyanagar
Date : 27th April, 2016

M. G. Rao
Wholetime Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To,
The Members of
EIMCO ELECON (INDIA) LTD.
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120.
Dist. Anand, Gujarat

We have examined the compliance of conditions of corporate governance by EIMCO ELECON (INDIA) LTD. for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges for the period 1st April, 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars to the Company as on 31st March, 2016, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For TALATI & TALATI
Chartered Accountants
(Firm Reg. No. 110758W)

Place : Vallabh Vidyanagar
Date : 27th April, 2016

(Umesh H. Talati)
Partner
Mem.No. 34834

ANNEXURE – ‘C’ TO BOARD’S REPORT- ITEM NO. 19

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Employees) as on March 31, 2016.

Name of employees employed throughout the year :

Sr. No.	Name	Age Yrs.	Qualification	Date Of Joining	Designation	Nature Of Duty	Remuneration Received		Experience (yrs)	Last Employment & Designation
							Gross ₹	Net ₹		
1.	Mr. M. G. Rao	57	M. E. (Welding Engg.)	08-09-11	Wholetime Director	Overall Management	79,04,197	55,82,715	36	McNally Sayaji Engg. Ltd. (Chief Operating Officer)
2	Mr. D. M. Patel	63	B.E. (Mech.)	01-09-12	Group Director	Production In Charge	71,89,188	50,11,800	38	Power Build Pvt. Ltd. (Wholetime Director)

Notes:

- The appointment of Mr. M. G. Rao, Wholetime Director is contractual.
 - Gross remuneration received includes Salary, Commission, House Rent Allowance/rent paid, Medical Expenses, Company's contribution to Provident Fund, Superannuation and Gratuity Funds, Retirement Benefits, Monetary Value of perquisites in accordance with the provisions of the Income Tax Act, 1961.
 - Experience includes number of year's service elsewhere, wherever applicable.
- (i) The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name	Designation	Remuneration p.a. ₹	Increase in Remuneration in FY 2015-16 ₹	Ratio (Remuneration of Director to Median Remuneration)	Comparison of the Remuneration of the KMP against the performance of the Company
1	M. G. Rao	Wholetime Director	79,04,197	(5,65,469)	17.88	Profit After Tax decreased by 22.68%
2.	N. D. Shelat	CFO & Company Secretary	27,03,294	1,13,088	5.46	

**Details of Remuneration of other Directors**

Sr. No.	Name of the Other Directors	Designation	Details of Remuneration	Remuneration p.a. for the year 2015-16	Remuneration p.a. for the year 2014-15	% Increase in remuneration Remuneration (2016 over 2015)
1	Mr. P. M. Patel	Non-Independent NED	Sitting Fees	2,32,500	2,32,500	Nil
			Commission	2,50,000	2,50,000	
2	Mr. P. C. Amin	Non-Independent NED	Sitting Fees	1,10,000	1,65,000	(13.25)
			Commission	2,50,000	2,50,000	
3	Mr. H. S. Parikh	Independent NED	Sitting Fees	2,32,500	2,52,500	(3.88)
			Commission	2,50,000	2,50,000	
4	Mr. Nalin Shah	Independent NED	Sitting Fees	2,00,000	2,00,000	Nil
			Commission	2,50,000	2,50,000	
5	Mr. Nirmal Bhogilal	Independent NED	Sitting Fees	1,00,000	1,67,500	(16.16)
			Commission	2,50,000	2,50,000	
6	Mrs. Manjuladevi Shroff	Independent NED	Sitting Fees	75,000	Nil	100
			Commission	2,50,000	Nil	

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 5.42 lacs.
- (iii) In the financial year, there was increase of 20.72% in the median remuneration of employees. (No. of employees have been increased from 145 to 155 as on March 31, 2016).
- (iv) There were 155 permanent employees on the rolls of Company as on March 31, 2016.
- (v) Relationship between average increase in remuneration and company performance:- The Profit After Tax for the financial year ended March 31, 2016 decreased by 22.68% whereas the increase in median remuneration was 10.12%. The average increase in median remuneration was in line with the performance of the Company.
- (vi) The total remuneration of Key Managerial Personnel decreased by 4.08% from ₹ 110.59 lacs in 2014-15 to ₹ 106.07 in 2015-16, whereas the profit before Tax decreased by 25.33% to ₹ 22.46 crores in 2015-16 from ₹ 30.08 crores in 2014-15.
- (vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was ₹ 183 crores (₹ 225 crores as on March 31, 2015).
- b) Price Earnings ratio of the Company was 11.02 as at March 31, 2016 and was 10.46 as at March 31, 2015.
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year - The Company had come out with initial public offer (IPO) in 1992 of Equity Share of ₹ 10/- each at premium of ₹ 55/-. As on March 31, 2016 share price was ₹ 318/-, indicating a Compounded Annual Growth Rate of 7.15%. This is excluding the dividend accrued thereon and benefit on account of bonus shares issued.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 7.18 % whereas the decrease in the key managerial remuneration for the same financial year was 4.09 %.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

P. C. Amin
Director**M. G. Rao**
Wholetime DirectorPlace : Vallabh Vidyanagar
Date : 27th April, 2016

ANNEXURE – ‘D’ TO BOARD’S REPORT - ITEM NO. 20

Directors pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

[A] Conservation of energy :

Energy conservation and efficiency measures were taken in various areas in the plant as under.

1. Main transformer replaced with OLTC to reduce self loses.
2. Removed all individual machine servo stabilizer to reduce self losses.
3. Installed VFD base kaeser air compressor for better electrical efficiency.
4. All overhead in condescent fitting of 250W replaced by LED 160W.
5. All office ceiling CFL light 72W replaced by 42W LED lights.
6. All toilet lights controlled by human sensor.
7. Installed APFC panel on load centre to reduce line loss.
8. Specially designed and installed 525V APFC panel for machine testing to improve power factor.
9. Installed AHF panel to filter odd harmonic and to reduce line loss.

[B] Technology absorption :

Form B (rule 2)

Research & Development (R & D)

The Company has a Government recognized R & D Department which is manned with well qualified personnel and equipped with Computer Aided Design System.

1. Benefit derived as a result of the above R & D:

R&D efforts have helped bring out improvements in processes, product design and operating efficiencies. Indigenous development & supply of the underground mining machinery saved the country a sizable amount of foreign exchange, besides availability of machines at shorter notice.

2. Future plan of action:

Continuous measures are being taken to achieve indigenisation of existing machines and efforts are put to introduce new models suitable to Indian mining conditions.

3. Expenditure:

- | | |
|--------------|---------------|
| 1. Capital | ₹ 0.93 Lacs |
| 2. Recurring | ₹ 309.52 Lacs |

- | | |
|------------------------------|-------|
| 3. Total R & D expenditure | |
| Percentage of total turnover | 2.16% |

[C] Technology absorption, adaptation & innovation:

1. Efforts, in brief, made towards technology absorption, adaptation & innovation:

The technologies so far imported by the Company have been absorbed and adapted/ innovated to make them suitable to the Indian mining conditions by the active involvement of the R & D Department.

2. Benefits derived as a result of above efforts.

Absorption, adaptation & innovation of imported technology have lead to less dependence on imports of these products. This has saved a considerable amount of foreign exchange and cost of production.

3. Technology imported:

[a] Year of Imports : The Company had signed Two Collaboration Agreements as mentioned below:

- (i) Agreement dated 12-12-2006 with Ahlmann Baumaschinen GmbH, Germany for manufacture of Front End Articulated Loader.
- (ii) Agreement dated 12-05-2008 with Huta Stalowa Wola, S.A Poland for manufacture of 520G Wheel Loader.

[b] Whether technology fully absorbed: Technology or the Front End Loader and 520G Wheel Loader is absorbed.

[D] Foreign exchange earning & outgo:

1. During the year the Company has exported goods worth ₹ 128.25 Lacs and continues to make efforts to push up exports.

2. Foreign Exchange used & earned:

<u>Used</u>	<u>Earned</u>
₹ 2002.61 Lacs	₹ 128.25 Lacs

For and on behalf of the Board of Directors

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 27th April, 2016

**ANNEXURE - 'E' TO THE BOARD'S REPORT - ITEM NO. 23****Form No. MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31/03/2016**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Eimco Elecon (India) Limited
Vallabh Vidyanagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EIMCO ELECON (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minutes, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by EIMCO ELECON (INDIA) LIMITED for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **As informed to us, there were no FDI transaction in the Company during the year under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

We further report that there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) **OTHER APPLICABLE ACTS**

As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to industry generally.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above except that the company is in process of complying requirement of 100 % promoters holding in DEMAT form as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, there was no any dissenting views.

We further report that there are adequate systems and processes on the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **D. G. BHIMANI & ASSOCIATES**

DINESH G. BHIMANI
Company Secretary
C P No.: 6628

Place : Anand
Date : 22nd April, 2016

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
Eimco Elecon (India) Limited
Vallabh Vidyanagar.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **D. G. BHIMANI & ASSOCIATES**

DINESH G. BHIMANI
Company Secretary
C P No.: 6628

Place : Anand
Date : 22nd April, 2016

ANNEXURE - 'F' TO BOARD'S REPORT - ITEM NO. 24
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9
1. REGISTRATION AND OTHER DETAILS

1.	CIN	L29199GJ1974PLC002574
2.	Registration Date	31 st July, 1974
3.	Name of Company	Eimco Elecon (India) Limited.
4.	Category /Sub-Category of the Company	Company having Share Capital
5.	Address of the Registered office and contact details	Anand Sojitra Road, Vallabh Vidyanagar-388120 Tel. No. 02692-230502
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(w). Mumbai - 400 078.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company

Sr.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Underground Coal Mining Machinery & its Spares & Components	2824	96.44%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	Applicable Section
1	Wizard Fincap Ltd	U65910GJ1997PLC031891	ASSOCIATE	24.95	Section 2(6)
2	Eimco Elecon Electricals Ltd	U31900GJ2005PLC046661	ASSOCIATE	47.62	

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (As on 01-04-2015)				No. of shares held at the end of the year (As on 31-03-2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	17796	-	17796	0.3085	17796	-	17796	0.3085	-
(b) Central Govt.									
(c) State Govt (s)									
(d) Bodies corp.	2799849	-	2799849	48.5378	2799849	-	2799849	48.5378	-
(e) Banks / FI									
(f) Any other-Person Acting in Concert	6275	-	6275	0.1088	6275	-	6275	0.1088	-
Sub-Total (A)(1) :	2823920	-	2823920	48.9551	2823920	-	2823920	48.9551	-
(2) Foreign									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corp.	-	1447875	1447875	25.1002	-	1447875	1447875	25.1002	-
(d) Banks / FI									
(e) Any other									
Sub-total (A)(2) :-		1447875	1447875	25.1002		1447875	1447875	25.1002	
Total Shareholding of Promoter (A) = (A)(1)+(2)	2823920	1447875	4271795	74.0553	2823920	1447875	4271795	74.0553	-
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	276428	-	276428	4.7921	276428	-	276428	4.7921	-
(b) Banks / FI	105	100	205	0.0036	105	100	205	0.0036	-
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1) :	276533	100	276633	4.7957	276533	100	276633	4.7957	
2. Non-Institutions									
(a) Bodies Corp.	151330	1050	152380	2.6416	160343	1050	161393	2.7979	0.1563
i. Indian									
ii. Overseas									



4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (As on 01-04-2015)				No. of shares held at the end of the year (As on 31-03-2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	754060	124356	878416	15.2281	755285	119806	875091	15.1705	(0.0576)
(ii) Individual share holders holding nominal share capital in excess of ₹1 lac	159988	-	159988	2.7735	156057	-	156057	2.7054	(0.0681)
(c) Others									
1. Clearing Member	10501	-	10501	0.1820	7788	-	7788	0.1350	(0.0470)
2. NRI (Repatriate)	12282	-	12282	0.2129	12345	-	12345	0.2140	0.0011
3. NRI (Non Repatriate)	4940	-	4940	0.0856	5833	-	5833	0.1011	0.0155
4. Independent Directors & Relatives	1450	-	1450	0.0251	1450	-	1450	0.0251	-
Sub-total (B)(2):	1094551	125406	1219957	21.1490	1099101	120856	1219957	21.1490	-
Total Public Share-holding (B)=(B)(1)+(B)(2)	1371084	125506	1496590	25.9447	1375634	125506	1496590	25.9447	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4195004	1573381	5768385	100	4199554	1568831	5768385	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Elecon Engg. Co. Ltd.	958426	16.62	9.99	958426	16.62	9.99	-
2	Prayas Engg. Ltd.	37500	0.65	-	37500	0.65	-	-
3	Emtici Engg. Ltd.	818303	14.19	-	818303	14.19	-	-
4	Power Build Pvt. Ltd.	16050	0.28	-	16050	0.28	-	-
5	Bipra Inv & Trusts Pvt. Ltd.	188205	3.26	-	188205	3.26	-	-
6	Devkishan Inv Pvt. Ltd.	120900	2.10	-	120900	2.10	-	-
7	Elecon Information Tech. Ltd.	147550	2.56	-	147550	2.56	-	-
8	K B Investments Pvt. Ltd.	487015	8.44	-	487015	8.44	-	-
9	Akaaish Mechatronics Ltd.	25900	0.45	-	25900	0.45	-	-
10	Prayasvin B. Patel	17796	0.31	-	17796	0.31	-	-
11	Tarunaben Patel	5000	0.09	-	5000	0.09	-	-
12	Prashant C. Amin	1275	0.02	-	1275	0.02	-	-
13	Tamrock Great Britain Holdings Ltd.	1447875	25.10	-	1447875	25.10	-	-
Total		4271795	74.06	9.99	4271795	74.06	9.99	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative shareholding during the year (01-04-2014 to 31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4271795	74.0553	4271795	74.0553
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	No Change	No Change	No Change	No Change
	At the end of the year	4271795	74.0553	4271795	74.0553

Eimco Elecon (India) Limited ISIN : INE158B01016

MGT-9 IV. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	HDFC Trustee Company Limited A/c HDFC Growth Fund	276428	4.7921			276428	4.7921
	At the end of the year					276428	4.7921
2	Mitesh N. Mehta	80000	1.3869			80000	1.3869
	Transfer			03 Jul 2015	(4000)	76000	1.3175
	Transfer			10 Jul 2015	(4000)	72000	1.2482
	Transfer			30 Sep 2015	2000	74000	1.2829
	Transfer			29 Jan 2016	(6143)	67857	1.1764
	Transfer			04 Mar 2016	743	68600	1.1892
	At the end of the year					68600	1.1892
3	Sharad Kanayalal Shah	25000	0.4334			25000	0.4334
	At the end of the year					25000	0.4334
4	Hitesh Satishchandra Doshi	24477	0.4243			24477	0.4243
	Transfer			17 Apr 2015	346	24823	0.4303
	Transfer			12 Jun 2015	78	24901	0.4317
	At the end of the year					24901	0.4317
5	CD equifinance private limited	0	0.0000			0	0.0000
	Transfer			25 Sep 2015	100	100	0.0017
	Transfer			30 Sep 2015	1100	1200	0.0208
	Transfer			29 Jan 2016	3061	4261	0.0739
	Transfer			19 Feb 2016	4115	8376	0.1452
	Transfer			26 Feb 2016	3999	12375	0.2145
	Transfer			18 Mar 2016	11108	23483	0.4071
	At the end of the year					23483	0.4071
6	Laurel Securities Pvt. Ltd.	25144	0.4359			25144	0.4359
				3 Apr 2015	(500)	24644	0.4272
	Transfer			10 Apr 2015	(500)	24144	0.4186
	Transfer			17 Apr 2015	102	24246	0.4223
	Transfer			24 Apr 2015	202	24448	0.4238
	Transfer			01 May 2015	742	25190	0.4367
	Transfer			08 May 2015	(70)	25120	0.4355
	Transfer			15 May 2015	245	25365	0.4410
	Transfer			05 Jun 2015	(897)	24468	0.4408
	Transfer			12 Jun 2015	633	25101	0.4351
	Transfer			19 Jun 2015	(3998)	21103	0.3728
	Transfer			26 Jun 2015	(1559)	19544	0.3413
	Transfer			30 Jun 2015	103	19647	0.3453
	Transfer			03 Jul 2015	(1770)	17877	0.3378
	Transfer			10 Jul 2015	(1695)	16182	0.2908
	Transfer			17 Jul 2015	940	17122	0.2970
	Transfer			24 Jul 2015	102	17224	0.3025

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Transfer			31 Jul 2015	(156)	17068	0.2959
	Transfer			07 Aug 2015	(19)	17049	0.2993
	Transfer			14 Aug 2015	632	17681	0.3065
	Transfer			21 Aug 2015	(69)	17612	0.3076
	Transfer			28 Aug 2015	(180)	17432	0.3039
	Transfer			04 Sep 2015	205	17637	0.3069
	Transfer			11 Sep 2015	(485)	17152	0.3060
	Transfer			25 Sep 2015	572	17724	0.3073
	Transfer			30 Sep 2015	(131)	17593	0.3163
	Transfer			9 Oct 2015	(396)	17197	0.2981
	Transfer			16 Oct 2015	1517	18714	0.3244
	Transfer			6 Nov 2015	(15)	18699	0.3242
	Transfer			13 Nov 2015	515	19214	0.3331
	Transfer			20 Nov 2015	677	19891	0.3448
	Transfer			27 Nov 2015	(220)	19671	0.3410
	Transfer			04 Dec 2015	(159)	19512	0.3430
	Transfer			11 Dec 2015	(148)	19364	0.3410
	Transfer			18 Dec 2015	(12)	19352	0.3409
	Transfer			25 Dec 2015	880	20232	0.3507
	Transfer			31 Dec 2015	(5)	20227	0.3507
	Transfer			08 Jan 2016	(490)	19737	0.3434
	Transfer			15 Jan 2016	50	19787	0.3430
	Transfer			22 Jan 2016	12	19799	0.3432
	Transfer			05 Feb 2016	20	19819	0.3436
	Transfer			12 Feb 2016	(15)	19804	0.3433
	Transfer			19 Feb 2016	15	19819	0.3436
	Transfer			26 Feb 2016	695	20514	0.3556
	Transfer			04 Mar 2016	255	20769	0.3600
	Transfer			11 Mar 2016	(100)	20669	0.3583
	Transfer			18 Mar 2016	100	20769	0.3600
	Transfer			25 Mar 2016	100	20869	0.3618
	Transfer			31 Mar 2016	100	20969	0.3635
	At the end of the year					20969	0.3635
7.	B. R. Nahar and Sons HUF	8724	0.1512			8724	0.1512
	Transfer			03 Apr 2015	(8724)	0	0
	Transfer			11 Mar 2016	19915	19915	0.3452
	At the end of the year					19915	0.3452
8.	Chandravadan Desai	4070	0.0706			4070	0.0706
	Transfer			25 Sep 2015	177	4247	0.0736
	Transfer			09 Oct 2015	463	4710	0.0817
	Transfer			06 Nov 2015	31	4741	0.0822
	Transfer			13 Nov 2015	796	5537	0.0960
	Transfer			20 Nov 2015	2840	8377	0.1452
	Transfer			27 Nov 2015	1080	9457	0.1639



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Transfer			11 Dec 2015	1000	10457	0.1813
	Transfer			18 Dec 2015	1044	11501	0.1994
	Transfer			29 Jan 2016	5589	17090	0.2963
	Transfer			12 Feb 2016	25	17115	0.2967
	Transfer			19 Feb 2016	(4070)	13045	0.2261
	At the end of the year					13045	0.2261
9	Profound Consulting Private Limited	12592	0.2183			12592	0.2183
	At the end of the year					12592	0.2183
10	VAIBHAV JAIN	12511	0.2169			12511	0.2169
	At the end of the year					12511	0.2169
11	KISHAN GOPAL MOHTA	18000	0.3120			18000	0.3120
	Transfer			10 Apr 2015	1000	19000	0.3294
	Transfer			09 Oct 2015	(5)	18995	0.3293
	Transfer			16 Oct 2015	(225)	18770	0.3254
	Transfer			30 Oct 2015	(593)	18177	0.3151
	Transfer			06 Nov 2015	(172)	18005	0.3121
	Transfer			13 Nov 2015	(548)	17457	0.3026
	Transfer			20 Nov 2015	(229)	17228	0.2987
	Transfer			04 Dec 2015	(15)	17213	0.2984
	Transfer			11 Dec 2015	(2069)	15144	0.2625
	Transfer			18 Dec 2015	(359)	14785	0.2563
	Transfer			25 Dec 2015	(454)	14331	0.2484
	Transfer			31 Dec 2015	(384)	13947	0.2418
	Transfer			01 Jan 2016	(600)	13347	0.2314
	Transfer			08 Jan 2016	(97)	13250	0.2297
	Transfer			15 Jan 2016	(1150)	12100	0.2098
	Transfer			22 Jan 2016	(2100)	10000	0.1734
	Transfer			19 Feb 2016	(2206)	7794	0.1351
	Transfer			26 Feb 2016	(4357)	3437	0.0596
	Transfer			04 Mar 2016	(3437)	0	0.0000
	At the end of the year					0	0.0000
12	Mili consultants & investment pvt. Ltd.	11191	0.1940			11191	0.1940
	Transfer			03 Apr 2015	8724	19915	0.3452
	Transfer			31 Jul 2015	(199)	19716	0.3418
	Transfer			07 Aug 2015	199	19915	0.3452
	Transfer			11 Mar 2016	(19915)	0	0.0000
	At the end of the year					0	0.0000
13	NAVNEET MOHTA	9397	0.1629			9397	0.1629
	Transfer			8 May 2015	378	9775	0.1695
	Transfer			29 May 2015	225	10000	0.1734
	Transfer			27 Nov 2015	493	10493	0.1819
	Transfer			04 Dec 2015	1507	12000	0.208
	At the end of the year					12000	0.208
14	BALVANT D. MEHTALIA	9150	0.1586			9150	0.1586
	At the end of the year					9150	0.1586

- Note :
1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the Year is 5768385 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. P. C. Amin (Director) At the beginning of the year	1275	0.02	1275	0.02
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1275	0.02	1275	0.02
2.	Mr. H. S. Parikh (Director) At the beginning of the year	1300	0.02	1300	0.02
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1300	0.02	1300	0.02
3.	Mr Pradip M Patel (Director) Mr. Nalin Shah (Director) Mr. Nirmal Bhogilal (Director) Mrs. Manjula Devi (Director) Mr. M. G. Rao (Wholetime Director)	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
4.	Mr. Nilesh D. Shelat Company Secretary and CFO	Nil	Nil	Nil	Nil
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

**5. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Wholetime Director :**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	
1.	Mr. M. G. Rao	
	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	70,05,384
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,98,813
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- As % of Profit	
	- Others, specify	Nil
5.	Others, please specify	Nil
	Total (A)	79,04,197
	Ceiling as per the Act	1,16,72,150

B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nalin Shah	Mr. H. S. Parikh	Mr. Nirmal Bhogilal	Mrs. Manjuladevi Shroff	
1.	Independent Directors					
	Fee for attending board/ committee meetings	2,00,000	2,32,500	1,00,000	75,000	6,07,500
	* Commission	2,50,000	2,50,000	2,50,000	2,50,000	10,00,000
	* Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	4,50,000	4,82,500	3,50,000	3,25,000	16,07,500
2.	Other Non-Executive Directors	Mr. P. M. Patel	Mr. P. C. Amin			
	Fee for attending board/ committee meetings	2,32,500	1,10,000			3,42,500
	* Commission	2,50,000	2,50,000			5,00,000
	* Others, please specify	Nil	Nil			
	Total (2)	4,82,500	3,60,000			8,42,500
	Total (B = (1 + 2))					30,27,500
	Total Managerial * Remuneration					1,03,54,197
	Overall Ceiling as per the Act					2,56,78,730

* Total remuneration to Wholetime Director and other Directors (being the total of A & B).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

(Amount in ₹)

Sr. No.	Particulars of Remuneration	
	Nilesh Shelat, Company Secretary & CFO	
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,81,694
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	21,600
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 191	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- As % of profit	
	- Others, specify	Nil
5.	Others, please specify	
	Total	27,03,294

**7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

TYPE	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			None None None		
B. DIRECTORS Penalty Punishment Compounding			None None None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			None None None		

Management's Discussion and Analysis

ANNEXURE - "G" TO BOARD'S REPORT - ITEM NO.15

INDUSTRY STRUCTURE AND DEVELOPMENT

COAL MINING INDUSTRY

The global underground mining industry is expected to grow at a compound annual growth rate of approximately 7% from 2015 to 2019. The global underground mining equipment market is expected to reach over \$ 24 billion by 2019. This growth will be due to proactive changes in energy efficiency regulations undertaken by various governments across the globe. This has given an impetus to mining companies for adopting energy-efficient underground mining equipment.

Despite been known as a country with one of the largest coal reserves in the world, India is struggling to match the coal demand supply equation resulting in power crisis in the country. From 100 million tonnes in 2012, India's coal imports are slated to touch 220 million tonnes by 2016, making it one of the largest coal importing countries in the world.

India seems to be accelerating its efforts to transform the ailing coal sector. The Government has announced plans to boost coal India's annual production to the level of 1 billion tones by 2019 and this requires significant investment in mechanization of existing mines and fast tracking mine development activity in newer mines.

FUTURE SCENARIO

Opencast mining method dominates the mining scenario in CIL as it produces over 91% of the coal produced by CIL. The reasons are – growing demand, easier mining method where geo-mining adversities have much lesser impact, availability of bulk handling machineries, etc. All of this has put the underground mining in the back stage. However, the limited shallow depth reserves amenable to opencast mining are likely to be exhausted in foreseeable future and the production from opencast coal mines in CIL may reach a plateau. The resulting imbalance in production cannot be set right as large scale production suddenly is not possible from underground mines. Also the gestation period in case of underground mines is generally more.

CONSTRUCTION EQUIPMENT INDUSTRY

A well developed infrastructure is a key foundation for growth in any country, paving the way for better quality

of life and a rapid rise in gross domestic product (GDP especially for developing countries like India. Also, construction equipment are apart & parcel of any infrastructure project. There exists a huge potential of growth in investment for raising the over-all infrastructure of our country. Since good infrastructure acts as catalyst in industrial & overall growth of the nation, the sector has always been on priority agenda of the Government at all times. With the Government's renewed impetus on infrastructure, the construction equipment industry is poised for tremendous growth in the years to come.

Need for timely execution of infrastructure projects & emphasis on qualitative approach will act as growth drivers for demand of high quality construction equipment. Growing urbanization, increasing affordability & availability of financing will further spur up the demand for construction equipment. The Government has kept an ambitious target of 1 trillion dollar of investment in infrastructure projects in its 12th Five Year Plan. Based on the recent projections, the ECE (Earthmoving & Construction Equipment) market is expected to grow by a healthy 15 to 20 percent over the next few years.

FUTURE SCENARIO

The initiatives of the present Government in promoting domestic and foreign investments in a big way, "Make in India" drive has started showing inflow of funds in infra industry very recently. Further, while priority in allocation of funds to the Government's recent initiatives, like Swatch Bharat Abhiyan, solid waste disposal, clean Ganga, Bharat Mala – Road Network across Border & Coastal Areas, Smart cities & interlinking of rivers, on one side & removal of barriers like passing of land passing of land acquisition bill etc; on other side will fuel growth engine for construction equipment on the mid and long - term basis.

OPPORTUNITY AND THREATS

With expected off-take of road projects, Model AL-120, a mid-sized Wheel Loader with bucket capacity of 1.2 – 1.6 Cum will carve its desired place, through its superior features, among similar equipment presently used by construction companies. Further improvement in current



distribution network will help spread this product across the length & breadth of the nation. A higher capacity Loader AL-520, with bucket capacity of 1.9 – 3.0 Cum has also been commercially launched. Higher demand of this segment of loader in the market will help realize your company growth in business, though we will be pitching it against heavy competition from global players.

We shall also be introducing product, Skid Steer Loader, a highly versatile machine having a growth potential & primarily use in Industry material handling as well as infra projects. Also a line of action on recommendation from a reputed market survey agency, which conducted the market survey for us to add additional product lines in Construction Equipment Segment, will help your company realize its growth objective in years to follow.

Apart from the above, your Company is also exploring export potential of construction equipment in market of South East Asia & Africa.

OUTLOOK FOR THE COMPANY

With the all-round revival of coal companies and introduction of state-of-the-art technologies products for mining sector, your Company is expected to do better in the coming years.

RISK AND CONCERNS

The main risk and concern of the Company remains that it will continue to depend more on Government clients for some more time.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory /statutory requirements.

DEVELOPMENTS ON HUMAN RESOURCE/ INDUSTRIAL RELATIONS FRONT

The Company attaches utmost priority to human resource development with focus on regular upgradation of the knowledge and skills of all employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully. The company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the company continue to be cordial.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK.

Sales & Other income for the year ended 31st March, 2016 were ₹ 143.44 Crores as compared to ₹ 201.84 Crores for the year ended 31st March, 2015. The net profit stood at ₹ 16.63 Crores (previous year ₹ 21.51 Crores).

CAUTIONARY STATEMENT

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

Particulars of Contracts/ arrangements made with Related Parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2].

This Form pertains to the disclosure of particulars of contract/ arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

A) Details of contract or arrangements or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016 which were not at arm's length basis.

B) Details of material/contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:
Nature of Transactions :

(₹ in Lacs)

Name of Related Parties	Nature of relationship	Duration of Contract	Salient terms	Year ended 31 st March, 2016
a) Purchase of Material			Based on Related party Transaction Policy	
(i) Elecon Engineering Company Limited	Joint Venture	On Going		803.52
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	3.30
(iii) Power Build Private Limited	- DO-	- DO-	- DO-	0.40
(iv) Speciality Woodpack Pvt. Limited	- DO-	- DO-	- DO-	27.03
(v) Eimco Elecon Electricals Limited	Associate Company	- DO-	- DO-	126.63
(vi) Elecon Peripherals Limited	Significant Influence	- DO-	- DO-	8.03
b) Job work Income				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	1.48
c) Job work Expenses				
(i) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	0.28
d) Sale of Finished Goods, Consumables & Scrap				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	23.14
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	-
(iii) Speciality Woodpack Pvt. Limited	- DO-	- DO-	- DO-	2.31
(iv) Eimco Elecon Electricals Limited	Associate Company	- DO-	- DO-	0.27
e) Purchase of Fixed Assets				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	1,005.00
(ii) Elecon Information Technology Limited	Significant Influence	- DO-	- DO-	155.13
(iii) Eimco Elecon Electricals Limited	Associate Company	- DO-	- DO-	-
f) Sale of Fixed Assets				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	2.61
(ii) Power Build Private Limited	Significant Influence	- DO-	- DO-	5.01
(iii) EMTICI Engineering Limited	- DO-	- DO-	- DO-	0.47
g) Expenses Charged to				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	97.98
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	1.58



Name of Related Parties	Nature of relationship	Duration of Contract	Salient terms	Year ended 31 st March, 2016
h) Expenses Charged by				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	30.58
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	17.59
(iii) Speciality Woodpack Pvt. Limited	- DO-	- DO-	- DO-	11.66
(iv) Elecon Information Technology Limited	- DO-	- DO-	- DO-	77.15
(v) Akaash Mechatronics Limited	- DO-	- DO-	- DO-	101.56
(vi) EMTICI Engineering Limited	- DO-	- DO-	- DO-	49.70
(vii) Wizard Fincap Limited	Associate Company	- DO-	- DO-	15.34
(viii) Madhubhan Resort & Spa	Significant Influence	- DO-	- DO-	3.98
i) Sales Commission				
(i) EMTICI Engineering Limited	Significant Influence	- DO-	- DO-	2,459.43
j) Reimbursement of Expense paid / payable				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	12.01
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	0.54
k) Reimbursement of Expense received/receivables				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	70.83
(ii) Elecon EPC Projects Limited	Significant Influence	- DO-	- DO-	49.63
(iii) Power Build Private Limited	- DO-	- DO-	- DO-	19.37
(iv) Eimco Elecon Electricals Limited	Associate Company	- DO-	- DO-	0.22
(v) Elecon Information Technology Limited	Significant Influence	- DO-	- DO-	0.88
(vi) Akaash Mechatronics Limited	- DO-	- DO-	- DO-	0.22
l) Dividend Paid				
(i) Tamrock Great Britain Holdings Limited	Joint Venture	- DO-	- DO-	57.91
(ii) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	38.34
(iii) EMTICI Engineering Limited	Significant Influence	- DO-	- DO-	32.73
(iv) K. B. Investments Private Limited	- DO-	- DO-	- DO-	19.48
(v) BIPRA Investments and Trusts Private Limited	- DO-	- DO-	- DO-	7.53
(vi) Elecon Information Technology Limited	- DO-	- DO-	- DO-	5.90
(vii) Devkishan Investments Private Limited	- DO-	- DO-	- DO-	4.84
(viii) Prayas Engineering Limited	- DO-	- DO-	- DO-	1.50
(ix) Akaash Mechatronics Limited	- DO-	- DO-	- DO-	1.04
(x) Power Build Private Limited	- DO-	- DO-	- DO-	0.64
m) Guarantees and Collaterals given				
(i) Elecon Engineering Company Limited	Joint Venture	- DO-	- DO-	2,773.77

Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Place : Vallabh Vidyanagar

Date : 27th April, 2016

P. C. AMIN

Director

M. G. RAO

Wholetime Director

Nomination, Remuneration and Evaluation Policy

THE NOMINATION AND REMUNERATION POLICY

Introduction

In accordance with terms of Section 178 of the Companies Act, 2013 and the Listing Agreement entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company.

Definitions

In this Policy unless the context otherwise requires:

- (1) **“Act”** means Companies Act, 2013 and rules thereunder.
- (2) **“Company”** means “Eimco Elecon(India) Ltd”.
- (3) **“Board of Directors”** or **“Board”**, in relation to the Company, means the collective body of the directors of the Company.
- (4) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- (5) **“Key Managerial Personnel”** (KMP) means
 - i) Chief Executive Officer or the Managing Director or the Manager,
 - ii) Company Secretary,
 - iii) Wholetime Director,
 - iv) Chief Financial Officer and
 - v) Such other officer as may be prescribed.
- (6) **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement
- (7) **“Policy”** means, “Nomination and Remuneration Policy.”
- (8) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- (9) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
- (10) **“Ministry”** means the Ministry of Corporate Affairs.
- (11) **“Regulations”** refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.



(12) “**Employees’ Stock Option**” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

Objective

The policy is framed to ensure that a balanced fit is maintained between the level and composition of remuneration paid to the directors, key managerial personnel and senior management which is reasonable and sufficient enough to attract, retain and motivate them.

Membership / Composition

The Nomination and Remuneration Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

Membership of the Committee shall be disclosed in the Annual Report.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

COMMITTEE MEMBERS’ INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

TERM

Term of the Committee shall be continued unless terminated by the Board of Directors.

APPLICABILITY

This Policy is applicable to:

- 1. Directors viz. Executive, Non-executive and Independent

2. Key Managerial Personnel
3. Senior Management Personnel
4. Other Employees of the Company

Role / Duties

The Nomination and Remuneration Committee is responsible for:

- Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- Recommending to the Board on the selection of individuals nominated for directorship;
- Making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- Assessing the independence of independent directors;
- Such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.
- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board and to regularly review the plan;

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees



- Review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

APPOINTMENT OF DIRECTORS/KMPS/SENIOR OFFICIALS

- Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
 - assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- Personal specifications for Directors
 1. Qualification
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
 2. Experience
 - Experience of management in a diverse organisation
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
 3. Skills
 - Excellent interpersonal, communication and representational skills
 - Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
 4. Abilities and Attributes
 - Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
 5. Political inclinations and opinions.
 6. Other Specifications are as under:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

(i) Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable Salary :

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and Wholetime director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Wholetime Director/Manager and ten percent in case of more than one such official.



- The Company may pay remuneration to its directors, other than Managing Director and Wholetime Director upto one percent of the net profits of the Company, if there is a managing director or Wholetime director or manager and three percent of the net profits in any other case.
 - The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
 - The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
 - The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

REMOVAL

The Committee may recommend, to the Board removal of a Director, KMP or Senior Management Personnel due to following reasons:

- Any disqualification
- Misconduct
- Breach of Contract or trust
- Conflict in interest

Such recommendation to the Board shall be with reasons recorded in writing.

OTHER GENERAL MATTERS

The Committee shall ensure that –

1. The policy is in accordance with the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force);
2. The composition of the Board is in accordance with the Companies Act, 2013, and the rules made thereunder, and Listing Agreement as amended from time to time;
3. The Board of the Company may consciously consist of directors from expertise field as may be considered fit by the Committee which is essential and beneficial for the growth of the Company;
4. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
6. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
7. The policy is disclosed in the Boards' Report.

INDEPENDENT AUDITOR'S REPORT

To : The Members of Eimco Elecon (India) Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Eimco Elecon (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
 - g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 24.1 to the financial statements;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

(UMESH H. TALATI)
Partner

Mem. No. 34834

Place : Vallabh Vidyanagar

Date : 27th April, 2016

ANNEXURE - A TO THE AUDITOR'S REPORT

RE: Eimco Elecon (India) Ltd.

The Annexure referred to in Independents Auditor's Report to the members of the Company on the Standalone financial statement for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Majority of the assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties held are in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) During the year, the Company has not given any loan secured or unsecured to a companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence clause (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has complied with the provision of Section 185 & 186 of Companies Act, 2013 with respect of loans, investments and guaranty made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) In respect of Statutory dues:
- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to ₹ 1,136.71 Lacs that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Period to which the amount Relates	Forum where dispute is pending
1.	Income Tax Act 1961	Income Tax/ Penalties	32.48	Various years from 2002-03 to 2011-12	Appellate Authority
2.	Central Excise Act, 1944	Excise Duty and Service Tax	1,009.09	Various years from 2006-07 to 2013-14	Appellate Authority
3.	VAT	VAT	95.14	Various years from 2008-09 to 2010-11	Commissioner of Central Excise (Appeals)

- (viii) The Company does not have any borrowings from any financial institution or bank nor it has issued any debentures during the year under audit. Therefore, the provisions of clause (viii) of paragraph 3 of the Order is not applicable to the Company.

- (ix) According to the records of the company, the company has neither raised any monies by way of

Initial Public Offer or Further Public Offer nor has the company obtained any term loan. Hence, the comments under the clause are not called for.

- (x) Based on the audit procedures performed and representation obtained from management we report that, no case of fraud by the Company or on the Company by its officers and employee has been noticed or reported for the year under audit.
- (xi) The Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi company. Hence, in our opinion, the requirements of clause (xii) of Paragraph 3 of the Order do not apply to the Company.
- (xiii) The Company has complied with Section 177 and 188 of Companies Act, 2013, in respect of transactions with the related parties and relevant details have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or full or convertible debentures during the year under review. Hence, the provisions of Clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

(UMESH H. TALATI)
Partner
Mem. No. 34834

Place : Vallabh Vidhyanagar
Date : 27th April, 2016



ANNEXURE - B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Eimco Elecon (India) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

Place : Vallabh Vidhyanagar
Date : 27th April, 2016

(UMESH H. TALATI)
Partner
Mem. No. 34834

**BALANCE SHEET**

(₹ in Lacs)

As at 31 st March	Note No.	2016	2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	576.84	576.84
(b) Reserves and Surplus	4	21,227.87	19,911.22
		<u>21,804.71</u>	<u>20,488.06</u>
(2) Non - current liabilities			
(a) Deferred tax liabilities (Net)	24.6	-	-
(b) Long - term provisions	5	55.68	59.04
		<u>55.68</u>	<u>59.04</u>
(3) Current liabilities			
(a) Trade Payables	6	2,020.82	2,730.23
(b) Other current liabilities	7	636.00	543.74
(c) Short - term provisions	8	514.81	565.69
		<u>3,171.63</u>	<u>3,839.66</u>
	Total ...	<u>25,032.02</u>	<u>24,386.76</u>
II. ASSETS			
(1) Non - current assets			
(a) Fixed assets	9		
(i) Tangible assets		2,948.21	2,690.70
(ii) Intangible assets		42.61	119.66
(iii) Capital work-in-progress		16.23	3.65
		<u>3,007.05</u>	<u>2,814.01</u>
(b) Non-current investments	10A	1,916.02	1,940.16
(c) Deferrred Tax Assets (Net)	24.6	96.07	59.21
(d) Long-term loans and advances	11	257.14	484.13
		<u>5,276.28</u>	<u>5,297.51</u>
(2) Current assets			
(a) Current investments	10B	9,480.18	5,578.49
(b) Inventories	12	3,771.21	3,092.74
(c) Trade receivables	13	5,179.67	8,840.62
(d) Cash and Bank Balance	14	151.94	425.34
(e) Short-term loans and advances	15	1,172.74	1,152.06
		<u>19,755.74</u>	<u>19,089.25</u>
	Total ...	<u>25,032.02</u>	<u>24,386.76</u>

Significant Accounting Policies and Notes form an Integral Part of the Financial Statements

1 to 24

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

N. D. Shelat

(Company Secretary & CFO)

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 27th April, 2016

STATEMENT OF PROFIT AND LOSS ACCOUNT

		(₹ in Lacs)	
For the Year Ended 31 st March	Note No.	2016	2015
I Revenue from operations	16		
a) Sale of Products (Gross)		14,829.29	20,849.56
Less : Excise Duty		950.63	1,278.40
Sale of Products (Net)		<u>13,878.66</u>	<u>19,571.16</u>
b) Sale of Services		0.89	1.48
c) Other Operating Revenue		78.38	68.07
Total (a+b+c)		<u>13,957.93</u>	<u>19,640.71</u>
II Other income	17	<u>386.62</u>	<u>544.03</u>
III Total Revenue (I + II)		<u>14,344.55</u>	<u>20,184.74</u>
IV Expenses :			
Cost of material consumed	18/24.11	4,629.84	7,332.15
Purchase of Traded Goods		2,639.46	3,935.20
Change in Inventories of finished goods, Work-in-progress and Stock-in-trade	19	(817.01)	(531.66)
Employee benefits expenses	20	1,253.61	1,161.41
Research and Development Expenses	21	309.52	438.04
Finance costs	22	30.45	44.91
Depreciation and amortisation (Refer Note 9 (b))	9	368.95	432.59
Other expenses	23	3,682.80	4,363.95
Total Expenses		<u>12,097.62</u>	<u>17,176.59</u>
V Profit before tax (III-IV)		<u>2,246.93</u>	<u>3,008.15</u>
VI Less/ [Add] : Tax expenses			
(1) Current tax		620.00	880.00
(2) Short / (Excess) Provision of Income Tax		-	23.27
(3) Deferred tax		(36.86)	(46.97)
VII Profit for the Year (V-VI)		<u>1,663.79</u>	<u>2,151.85</u>
VIII Earnings per equity share :	24.5		
Equity Shares of par value of ₹10/- each			
(1) Basic		28.84	37.30
(2) Diluted		28.84	37.30

Significant Accounting Policies and Notes form an Integral Part of the Financial Statements 1 to 24.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

N. D. Shelat

(Company Secretary & CFO)

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 27th April, 2016

CASH FLOW STATEMENT

(₹ in Lacs)

 For the year ended 31st March

2016
2015
A. CASH FLOW FROM OPERATING ACTIVITIES:

 Net Profit before tax 2,246.93 3,008.15
Add:

1) Depreciation and amortisation	368.95		432.59	
2) Interest Paid	1.20		0.71	
3) Diminution in Value of Investment	6.95			
		377.10		433.30

Less:

1) Interest Received	51.07		51.61	
2) Dividend Received	238.52		145.40	
3) Profit on Sale of Assets	1.01		1.37	
4) Profit on Sale of Investments	-	290.60	215.64	414.02
		290.60		414.02

Operating profit before change in working capital **2,333.43** 3,027.43
Changes in Working Capital
Add / (Less) :

1) Inventories	(678.47)		(558.74)	
2) Trade payables	(671.97)		108.39	
3) Trade receivables	3,660.95		731.29	
4) Loans and Advances	97.77	2,408.28	(511.95)	(231.01)
		2,408.28		(231.01)

Cash generated from operation **4,741.71** 2,796.42
Less :

 1) Direct Tax Paid (Net of Refund) 511.47 883.02
NET CASH INFLOW FROM OPERATING ACTIVITIES (A) **4,230.24** 1,913.40
B. CASH FLOW FROM INVESTING ACTIVITIES :

1) Proceeds from Sale of Fixed Assets	5.06		10.99	
2) Proceeds from Sale of Investments	-		3,766.83	
3) Interest Received	51.07		51.61	
4) Dividend Received	238.52	294.65	145.40	3,974.83
		294.65		3,974.83

Less:

1) Purchase of Fixed Assets	541.89		1,573.85	
2) Purchase of Investments	3,908.64	4,450.53	4,015.20	5,589.05
		4,450.53		5,589.05

NET CASH UTILISED IN INVESTING ACTIVITIES (B) **4155.88** 1614.22

CASH FLOW STATEMENT (Contd...)

(₹ in Lacs)

For the year ended 31st March20162015

C. CASH FLOW FROM FINANCING ACTIVITIES:

Outflow:

1) Interest paid	1.20		0.71	
2) Dividend Paid	<u>347.47</u>	<u>348.67</u>	<u>269.95</u>	<u>270.66</u>

NET CASH OUTFLOW IN
FINANCING ACTIVITIES (C)(348.67)(270.66)NET INCREASE / (DECREASE) IN CASH AND
CASH EQUIVALENTS (A+B+C)(274.31)

28.52

Cash and Cash Equivalents as at 01/04/2015

412.34383.82

Cash and Cash Equivalents as at 31/03/2016

138.03412.34

Components of Cash and Cash Equivalents

Cash on hand 0.10 0.10

Balance with banks :

On current accounts 137.93 412.24138.03412.34

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)**UMESH H. TALATI**
Partner
Membership No.34834Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin Director**Mr. M. G. Rao** Wholetime DirectorVallabh Vidyanagar : 27th April, 2016

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. COMPANY OVERVIEW

Eimco Elecon (India) Limited (the Company) is situated at Vallabh Vidyanagar, Gujarat-388120. The Company was incorporated in 1974 and is engaged in the business of Manufacturing of Equipments for Mining and Construction sector.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

2.2 USE OF ESTIMATES

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.3 FIXED ASSETS AND DEPRECIATION

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost Comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use, but excluding Cenvat / Service Tax / VAT credit availed. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

In respect of fixed assets (other than Plant & Machinery, Road & Technical Know how) acquired during the year, depreciation/ amortization is charged on a written down value basis so as to write off the cost of the assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to 1st April, 2014 the carrying amount as on April 1st, 2014 is depreciated over the remaining useful life of the assets.

Plant & Machinery & Road has been depreciated on straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

Leasehold Land is amortized over the period of lease.

Fixed assets individually costing Rs 5,000/- or less are fully depreciated in the year of purchase/ installation. Depreciation on additions and disposals during the current reporting period is provided on a pro-rata basis.

Intangible assets are shown at Cost of Acquisition less accumulated amortization. Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of the assets as under:

Assets	Year
Technical Know How	7 Years

2.4 INVESTMENTS

Investments, which are expected to be realized within twelve months from the Balance Sheet date, are classified as current investments. All other investments are classified as non-current investments.

Current Investments are carried at the lower of cost and fair market value of each investment individually. Non-current investments are carried at cost less provision for diminution other than temporary, in value if any as at the Balance Sheet date.

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investments properties are carried at cost less accumulated depreciation.

2.5 INVENTORIES

Inventories are stated at Cost or Net Realizable Value whichever is lower after considering credit of VAT and Cenvat.

Cost of Raw-Material, Spares and Components is determined on weighted average cost.

Cost of Work-in-progress includes cost of raw material, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Finished Goods are valued at the lower of Cost including excise duty payable thereon and net realizable value.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

2.6 REVENUE RECOGNITION

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when significant risks and rewards connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export incentives are accounted for as and when the claims thereof have been admitted by the authorities.

Dividend Income is accounted when the right to receive the dividend is established.

Revenue in respect of other income is recognized when a reasonable certainty as to its realization is exits.

2.7 OPERATING LEASE

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases.

Lease revenue and Lease expenses under operating Lease are recognized on straight-line basis over the period of lease.

2.8 EMPLOYEE BENEFITS

(a) Short Term

Short-term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(b) Long Term

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution Plans.

(c) Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund and Superannuation Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(d) Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the Balance Sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(e) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

2.9 EXCISE DUTY

Excise duty payable on production and custom duty payable on imports are included in the value of finished goods, both in respect of goods cleared and lying in Bonded warehouse.

2.10 FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transaction are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions.

Foreign Currency Monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or/on reporting the company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

Monetary assets & liabilities denominated in foreign currency remaining unsettled at the year-end are translated at closing rates.

The premium or discount arising at inception of forward exchange contract is amortized as expense or income over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

2.11 RESEARCH AND DEVELOPMENT EXPENSES

All revenue expenditure related to R&D, including expenses in relation to development of product/ processes is charged to the Statement of Profit and Loss in the period in which it is incurred.

Capital expenditure on research and development is classified separately under tangible/intangible assets and depreciated on the same basis as other fixed assets.

2.12 BORROWING COSTS

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

2.13 TAXATION

Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from “timing differences that are temporary in nature” between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

2.14 EARNINGS PER SHARE

The basic Earnings per Share is calculated by dividing the Net Profit or Loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the current reporting period.

Diluted Earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the current reporting period.

2.15 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise cash and balance with banks. The Company considers all highly liquid investments with the remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalent.

2.16 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the “indirect method” set out in Accounting Standard-3 on “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Company.

2.17 IMPAIRMENT OF ASSETS

The carrying value of assets of the Company’s cash generating units is reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

2.18 PRODUCT WARRANTY EXPENSES

Product warranty expenses are estimated by the Management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty cost in the period of recognition of revenue.

2.19 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long-term benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligations as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

3. SHARE CAPITAL:

As at 31 st March	<u>2016</u>	<u>2015</u>
(a) Authorised :		
(10,000,000 Equity shares of ₹ 10/- each)	<u>1,000.00</u>	<u>1,000.00</u>
(b) Issued, Subscribed and Fully paid		
Issued 57,68,386 Equity Shares of ₹10 each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10 each	576.84	576.84
Issued but not Subscribed 1 (One) Equity Share of ₹10 each	-	-
Total ..	<u><u>576.84</u></u>	<u><u>576.84</u></u>

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Equity Shares at the beginning of the year	57,68,385	57,68,385
Equity Shares at the end of the year	57,68,385	57,68,385
Amount of Share Capital at the beginning	576.84	576.84
Amount of Share Capital at the end	576.84	576.84

Details of Shareholders holding more than 5% equity shares

Elecon Engineering Company Ltd. (16.62%)	9,58,426	9,58,426
EMTICI Engineering Ltd. (14.19%)	8,18,303	8,18,303
K. B. Investments Private Ltd. (8.44%)	4,87,015	4,87,015
Tamrock Great Britain Holdings Ltd. (25.10%)	14,47,875	14,47,875

Terms / Rights attached to Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5 /-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

4. RESERVES AND SURPLUS:

As at 31 st March	<u>2016</u>	<u>2015</u>
(a) Capital Reserves		
Balance as per last balance sheet	2.91	2.91
(b) Securities Premium Reserve		
Balance as per last balance sheet	753.83	753.83
(c) General Reserve		
Balance at the beginning of the year	18,743.45	17,104.98
Add : Transfer from statement of profit and loss	1,300.00	1,700.00
	<u>20,043.45</u>	<u>18,804.98</u>
Less : Depreciation adjustment (Refer Note 9(1))	-	61.53
	<u>20,043.45</u>	<u>18,743.45</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

4. RESERVES AND SURPLUS (Contd...)		(₹ in lacs)	
As at 31 st March	<u>2016</u>	<u>2015</u>	
(d) Surplus as per statement of Profit and Loss			
Balance as per last Balance Sheet	411.03	306.65	
Add: Profit for the year	1,663.79	2,151.85	
	<u>2,074.82</u>	<u>2,458.50</u>	
Less : Appropriations :			
Proposed Dividend	288.42	288.42	
Tax on Proposed Dividend	58.72	59.05	
Transfer to General Reserve	1,300.00	1,700.00	
	<u>1,647.14</u>	<u>2,047.47</u>	
Balance carried forward	427.68	411.03	
Total ..	<u><u>21,227.87</u></u>	<u><u>19,911.22</u></u>	
5. LONG TERM PROVISIONS :			
As at 31 st March	<u>2016</u>	<u>2015</u>	
Provision for Employee benefits - Leave liability	55.68	59.04	
Total ..	<u><u>55.68</u></u>	<u><u>59.04</u></u>	
6. TRADE PAYABLES :			
As at 31 st March	<u>2016</u>	<u>2015</u>	
(a) Due to Micro, Small and Medium Enterprises	6.04	341.24	
(b) Others	2,014.78	2,388.99	
Total ..	<u><u>2,020.82</u></u>	<u><u>2,730.23</u></u>	

There is no principal amount and interest overdue to Micro and Small Enterprises as at the year end. During the year, no interest has been paid to such parties. The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

7. OTHER CURRENT LIABILITIES :

As at 31 st March	2016	2015
(a) Investors education and protection fund - Unpaid dividends.	13.91	13.00
(b) Other payables		
Advance from Customers	24.98	19.38
Statutory Payables	143.69	383.32
Outstanding Expenses	433.56	121.28
Purchase of Capital Goods	19.86	6.76
Total ..	636.00	543.74

8. SHORT TERM PROVISIONS :

As at 31 st March	2016	2015
(a) Provision for Employee benefits - Leave Liability	24.00	17.79
(b) Other Provision		
Provision for Warranty (Refer Note 24.4)	143.67	200.43
Proposed Dividend	288.42	288.42
Tax on proposed dividend	58.72	59.05
Total ..	514.81	565.69



NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS - CURRENT YEAR

(₹ in lacs)

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1st April 2015	Additions during the Year	Deduction during the Year	As at 1st April 2015	For the Period	On Deduction/ Adjust-ment	As at 31st March 2016	As at 31st March 2015
Tangible Assets :								
Freehold Land	19.26			-	-	-	19.26	19.26
Leasehold Land	905.26	23.93		1.43	14.97	-	912.79	903.83
Buildings	915.22	3.12		348.51	50.55		519.28	566.72
Road	374.83	438.28		8.34	47.94		756.83	366.49
Plant & Machinery	6,274.81	26.57	11.23	5,623.54	87.28	10.67	5,700.15	651.27
Electric Fittings	108.57	5.91		99.99	6.93		7.56	8.58
Office Equipments and Airconditioners	200.71	10.77	0.85	173.28	14.59	0.85	23.61	27.43
Furniture and Fixtures	245.95	13.02		241.37	4.06		13.54	4.58
Vehicles	272.16	6.78	14.89	194.18	27.60	11.40	53.67	77.98
Total Tangible Assets	9,316.77	528.38	26.97	6,690.64	253.92	22.92	2,896.54	2,626.14
Intangible Assets :								
Technical knowhow	301.40	-	-	286.83	13.69	-	0.88	14.57
Software licence fees	206.70	-		167.96	31.50	-	7.24	38.74
Total Intangible Assets (Acquired)	508.10	-	-	454.79	45.19	-	8.12	53.31
Research & Development :								
a. Tangible Assets								
Plant & Machinery	143.19	0.93	-	78.75	13.72	-	51.65	64.44
Office Equipments & Air Conditioners	10.35			10.22	0.11		0.02	0.13
Furniture & Fixtures	0.61			0.61			-	-
b. Intangible Assets (Acquired)	142.49	-	-	76.13	31.87	-	34.49	66.37
Total R & D (C+D)	296.64	0.93	-	165.71	45.70	-	86.16	130.94
Total (A+B+C+D)	10,121.51	529.31	26.97	7,311.14	344.81	22.92	2,990.82	2,810.39
TOTAL TANGIBLE ASSETS (A+C)	9,470.91	529.31	26.97	6,780.22	267.74	22.92	2,948.21	2,690.69
TOTAL INTANGIBLE ASSETS (B+D)	650.60	-	-	530.92	77.07	-	42.61	119.67
Capital Work-in-Progress							16.23	3.65
							3,007.05	2,814.04

Notes :

1) Depreciation includes depreciation on Fixed Assets ₹ 344.81 lacs (P. Y. ₹ 406.35 lacs) and ₹ 24.14 lacs (P. Y. ₹ 26.24 lacs) on Investment in Properties.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS - PREVIOUS YEAR

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1st April 2014	Additions during the Year	Deduction during the Year	As at 31st March 2015	As at 1st April 2014	For the year	On Deduction/ Adjust-ment	As at 31st March 2015	As at 31st March 2014
Tangible Assets :									
Freehold Land	19.26	-	-	19.26	-	-	-	19.26	19.26
Leasehold Land	-	905.26	-	905.26	-	1.43	-	903.83	-
Buildings	686.13	229.10	-	915.23	305.68	40.65	-	566.72	380.44
Road	-	374.83	-	374.83	-	8.34	-	366.49	-
Plant & Machinery	6,230.70	109.06	64.96	6,274.80	5,507.79	128.61	58.72	651.26	722.92
Electric Fittings	108.57	-	-	108.57	62.49	33.68	-	8.58	46.08
Office Equipments and Airconditioners	172.88	27.83	-	200.71	124.24	25.64	-	27.43	48.64
Furniture and Fixtures	245.19	0.76	-	245.95	209.55	17.89	-	4.58	35.65
Vehicles	273.84	7.53	9.21	272.16	160.03	39.99	5.84	77.98	113.81
Total Tangible Assets	7,736.57	1,654.37	74.17	9,316.77	6,369.78	296.23	64.56	2,626.13	1,366.80
Intangible Assets :									
Technical know how	301.40	-	-	301.40	280.81	6.02	-	286.83	14.57
Software licence fees	206.70	-	-	206.70	116.29	51.68	-	167.97	90.41
Total Intangible Assets (Acquired)	508.10	-	-	508.10	397.10	57.70	-	454.80	111.00
Research & Development :									
(a) Tangible Assets									
Plant & Machinery	135.26	7.93	-	143.19	59.05	15.68	-	78.75	76.21
Office Equipments & Aircondition	10.35	-	-	10.35	4.86	5.36	-	10.22	5.49
Furniture & Fixtures	0.61	-	-	0.61	0.60	0.01	-	0.61	0.01
Total Tangible Assets	146.22	7.93	-	154.15	64.51	21.05	-	89.58	81.71
(b) Intangible Assets :									
Software	138.44	4.05	-	142.49	44.76	31.37	-	66.36	93.68
Total Intangible Assets	138.44	4.05	-	142.49	44.76	31.37	-	66.36	93.68
Total R & D (a+b)	284.66	11.98	-	296.64	109.27	52.42	-	165.71	175.39
TOTAL FIXED ASSETS	8,529.33	1,666.35	74.17	10,121.51	6,876.15	406.35	64.56	2,810.36	1,653.19
Capital Work-in-Progress								3.65	96.15
								2,814.01	1,749.34

Notes :

- Consequent to enactment of the Companies Act, 2013 and its applicability for accounting period commencing after 1st April 2014, the Company has re-worked depreciation with reference to the estimated economics lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, which ever is lower. Due to this Depreciation charged for the year ended 31st March, 2015 is higher by ₹ 15.31 lacs. In case of any asset whose life has completed as above, carrying value, as at 1st April, 2014 has been adjusted to the General Reserve amounting to ₹ 61.53 lacs (Net of deferred Tax) and in other cases the carrying value has been depreciated over the remaining useful life of the assets and recognised in the Statement of Profit and Loss.
- Depreciation includes depreciation on Fixed Assets ₹ 406.35 lacs (P. Y. ₹ 487.36 lacs) and ₹ 26.24 lacs (P. Y. ₹ 23.97 lacs) on Investment in Properties.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

10. INVESTMENTS (AT COST)

(₹ in lacs)

As at 31 st March	Face Value	No. of Shares	2016	No. of Shares	2015
(A) Non Current Investments - at cost					
(i) Trade (Unquoted)					
Investments in Equity Instruments					
Eimco Elecon Electricals Limited	10	510000	51.00	510000	51.00
Wizard Fincap Limited (Refer Note No 24.8)	10	249500	24.95	249500	24.95
			75.95		75.95
(ii) Other Investments					
(a) Investments in Property					
Cost of building given on operating lease			524.12		524.12
Less : Accumulated Depreciation (Refer Note No. 9 (1) & (2))			111.31		87.17
Net Block			412.81		436.95
(b) Investments in Equity Shares Non Trade (Quoted)					
Bank of Baroda	2	3500	0.60	3500	0.60
Bharti Airtel Limited	5	2655	11.50	2655	11.50
Colgate-Palmolive (I) Limited (Bonus share received during the year)	1	1000	3.23	500	3.23
GOL Offshore Limited	10	238	-	238	-
Grasim Industries Limited	10	1000	10.84	1000	10.84
Hindustan Unilever Limited	1	1500	3.95	1500	3.95
Infosys Limited (Bonus share received during the year)	5	7424	11.18	3712	11.18
ITC Limited	1	3000	3.50	3000	3.50
Larsen & Toubro Limited	2	750	8.77	750	8.77
Mahindra & Mahindra Limited	5	8800	8.95	8800	8.95
Reliance Industries Limited	10	5100	18.10	5100	18.10
Reliance Infrastructure Limited	10	390	2.77	390	2.77
Siemens Limited	2	294	2.61	294	2.61
State Bank of India	1	35000	29.86	35000	29.86
Tata Chemicals Limited	10	10000	11.29	10000	11.29
Tata Power Limited	1	57000	18.30	57000	18.30
Tata Steel Limited	10	11325	33.29	11325	33.29
Ultratech Cement Limited	10	571	-	571	-
			178.74		178.74
(c) Investments in Equity Shares Non Trade (Unquoted)					
Charotar Gas Sahakari Mandali Limited			0.03		0.03
(d) Investments in Mutual Fund - Unquoted					
		No. of Units	31-03-2016	No. of Units	31-03-2015
Reliance Fixed Horizon Fund - XXV Series 4 Growth (Lien)	2500000.000		250.00	2500000.000	250.00
Reliance Fixed Horizon Fund-XXIV Series -16 Growth (Lien)	1000000.000		100.00	1000000.000	100.00
SBI Debt Fund Series A 3 420 Days - Growth	574812.300		57.48	574812.300	57.48
SBI Debt Fund Series A 14 380 Days - Growth	515507.300		51.55	515507.300	51.55
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	499619.904		50.00	499619.904	50.00
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	499986.289		50.00	499986.289	50.00
Tata Fixed Maturity Fund - Series 46 Scheme B - Growth (Lien)	1046671.963		104.67	1046671.963	104.67
			663.70		663.70
(e) Investments in Bond Non Trade (Quoted)					
	Face Value	No. of Bonds	31-03-2016	No. of Bonds	31-03-2015
8.20% Power Finance Corporation Limited	1000	28479	284.79	28479	284.79
6.88% Power Finance Corporation Limited	1000	30000	300.00	30000	300.00
			584.79		584.79
Total..(A)			1,916.02		1940.16
Aggregate Cost of Quoted Investments			763.53		763.53
Market Value of Quoted Investments			1,153.13		1,177.15
Aggregate Value of Unquoted Investments			1,152.49		1,176.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)
INVESTMENTS (Contd...)

(₹ in lacs)

As at 31 st March	No. of Units	2016	No. of Units	2015
(B) Current Investment (lower of cost and fair value)				
Investments in Mutual Fund - Unquoted				
Axis Liquid Fund Direct Plan - Daily Dividend	-	-	5102.858	51.04
Birla Sun Life Short Term Fund (Lien)	2133344.350	250.67	2009171.808	237.69
Birla Sun Life Short Term Fund Monthly Dividend Regular Plan	5879211.170	691.07	-	-
Birla Sun Life Dynamic Bond Fund - Monthly Dividend	2939939.100	310.16	2786556.309	293.58
Birla Sun Life Saving Fund	-	-	50199.259	50.35
Birla Sun Life Short Term Opportunity Fund - Growth (Lien)	249432.261	50.23	249432.261	50.23
Birla Sun Life Cash Plus Daily Dividend - Direct (Lien)	734568.490	736.04	709513.892	710.93
Birla Sun Life Cash Plus Daily Dividend - Direct	50298.910	50.40	450223.286	451.07
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Div.	114878.740	1,221.90	2936623.265	312.35
HDFC Cash Management Fund - Saving Plan - Daily Dividend	33089.430	351.95	-	-
HDFC Fixed Maturity Plan 371D Series -29 Growth (Lien)	4000000.000	400.00	4000000.000	400.00
HDFC High Interest Fund Short Term Plan - Growth	398687.330	101.61	398687.330	101.61
ICICI Prudential Dynamic Bond Fund - Direct Plan- Growth	1048498.573	140.88	1048498.573	140.88
ICICI Prudential Liquid Direct Plan - Daily Dividend	253982.550	254.16	162931.716	163.02
ICICI Prudential Short Term Fund - Monthly Dividend	2989279.680	363.00	-	-
Reliance Dynamic Bond Fund - Growth	619797.574	100.00	619797.574	100.00
Reliance Liquid Fund - Treasury Plan - Daily Dividend	9917.940	151.62	-	-
Reliance Liquid Fund - Cash Plan - Direct Plan Daily Dividend	8983.920	100.09	-	-
Reliance STF Direct G Plan (Lien)	4640137.967	1,200.00	4640137.967	1,200.00
Reliance Short Term Fund - Monthly Dividend Plan	6164740.200	679.31	-	-
Reliance Quarterly Interval Fund - Series III- Direct Growth	2048494.470	254.12	-	-
Reliance Money Manager Fund - Growth (Lien)	26513.453	450.00	26513.453	450.00
SBI Magnum Income Fund -Regular Plan - Growth	509589.500	151.79	509589.500	151.79
SBI Premier Liquid Fund - Direct Plan - Growth	20258.680	450.07	2297.513	50.07
SBI Short Term Debt Fund - Regular Plan - Growth	1083150.200	150.00	1083150.200	150.00
Tata Income Fund Plan A -Appreciation - Bonus	221449.100	23.33	221449.100	23.33
Tata Income Fund Regular Plan - Appreciation - Growth	115675.800	40.55	115675.800	40.55
Tata Short Term Bond Fund Plan A - Growth (Lien)	1951173.400	400.00	1951173.400	400.00
Tata Short Term Bond Fund Direct Plan - Growth	205280.639	50.00	205280.639	50.00
Tata Short Term Bond Fund Direct Plan - Fortnightly Dividend	1059673.610	150.00	-	-
Tata Floater Fund Direct Plan - Daily Dividend	20649.660	207.23	-	-
Total...		9,480.18		5,578.49
Aggregate Value of Unquoted Investments		9,480.18		5,578.49
Market Value of Investment in Mutual Funds		10,340.95		5,959.28

Note :

- 1) The Company has on behalf of Elecon Engineering Co. Ltd. provided security to a bank by way of lien on Investments made in Mutual Funds.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

11. LONG TERM LOANS AND ADVANCES :

As at 31st March	<u>2016</u>	<u>2015</u>
[Unsecured Considered good]		
(a) Capital Advances	-	216.50
(b) Security Deposits	257.14	267.63
Total ..	<u>257.14</u>	<u>484.13</u>

12. INVENTORIES :

As at 31st March	<u>2016</u>	<u>2015</u>
(a) Raw materials and Components	1,239.64	1,378.18
(b) Work-in-progress	867.46	393.04
(c) Finished Goods	678.45	204.94
(d) Stock-in-trade	985.66	1,116.58
Total ..	<u>3,771.21</u>	<u>3,092.74</u>

13. TRADE RECEIVABLES :

As at 31st March	<u>2016</u>	<u>2015</u>
(i) Trade Receivables outstanding for a period exceeding six months from the date they due for payment:		
(a) Unsecured considered good	299.32	205.39
(ii) Other Trade receivables:		
(a) Unsecured considered good	4,880.35	8,635.23
Total ..	<u>5,179.67</u>	<u>8,840.62</u>

14. CASH AND CASH EQUIVALENTS :

As at 31st March	<u>2016</u>	<u>2015</u>
(a) Balances with banks		
On Current account	137.93	412.24
On Unpaid dividend account	13.91	13.00
(b) Cash on hand	0.10	0.10
Total ..	<u>151.94</u>	<u>425.34</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

15. SHORT TERM LOANS AND ADVANCES :

As at 31st March	2016	2015
(Unsecured considered good)		
(a) Others:		
Advances to Suppliers	155.25	243.80
Interest Receivable	10.70	10.70
Windmill Electricity income receivable	0.90	0.00
Balance with Excise, Customs and Sales Tax Authorities	684.08	436.71
Advance Income Tax (Net of Provision)	290.25	398.79
Prepaid Expenses	31.56	62.06
Total ..	1,172.74	1,152.06

16. REVENUE FROM OPERATIONS :

For the Year Ended 31st March	2016	2015
(a) Sale of Products (Refer Note No.24.10)		
Domestic Sales	13,750.41	19,400.72
Export Sales	128.25	170.45
	13,878.66	19,571.17
(b) Sale of Services	0.89	1.48
(c) Other Operating revenue		
Sale of Scrap	54.22	68.07
Windmill Electricity Income	24.16	-
	79.27	69.55
Total ..	13,957.93	19,640.72

17. OTHER INCOME :

For the Year Ended 31st March	2016	2015
(a) Interest Income - Long Term Investments	43.99	43.99
- Others	7.08	7.62
(b) Dividend Income - Long term Investments	9.18	8.06
- Current Investments	229.34	137.34
(c) Profit on sale of Investments - Long Term Investment	-	215.64
	289.59	412.65
(d) Other Non Operating Revenues		
Rent	36.17	46.19
Sales Tax Refund	-	1.53
Profit on sale of Fixed Assets	1.01	1.37
Duty Draw Back	4.53	0.96
Net Gain on Exchange Rate Fluctuations	2.82	0.00
Commission	52.50	44.62
Sundry credit balance written back	-	36.71
	97.03	131.38
Total ..	386.62	544.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

18. COST OF MATERIAL CONSUMED :
 (Refer Note No 24.11 & 24.12)

For the Year Ended 31st March	<u>2016</u>	<u>2015</u>
Opening Stock	1,378.18	1,351.10
Add : Purchases	4,491.30	7,359.23
	<u>5,869.48</u>	<u>8,710.33</u>
Less : Closing Stock	1,239.64	1,378.18
Total ..	<u><u>4,629.84</u></u>	<u><u>7,332.15</u></u>

**19. CHANGE IN INVENTORIES OF FINISHED GOODS,
 WORK IN PROGRESS AND STOCK IN TRADE:**

For the Year Ended 31st March	<u>2016</u>	<u>2015</u>
(a) Opening Stock		
Finished Goods	204.94	51.44
Work-in-progress	393.04	350.92
Stock-in-trade	1,116.58	780.54
	<u>1,714.56</u>	<u>1,182.90</u>
Less :		
(b) Closing Stock		
Finished Goods	678.45	204.94
Work-in-progress	867.46	393.04
Stock-in-trade	985.66	1,116.58
	<u>2,531.57</u>	<u>1,714.56</u>
Total ..	<u><u>(817.01)</u></u>	<u><u>(531.66)</u></u>

20. EMPLOYEE BENEFITS EXPENSES :

For the Year Ended 31st March	<u>2016</u>	<u>2015</u>
(a) Salaries, Wages and Bonus	1,128.46	1,027.77
(b) Contribution to provident and other funds (Refer Note 24.2)	69.01	89.47
(c) Staff welfare expenses	56.14	44.17
Total ..	<u><u>1,253.61</u></u>	<u><u>1,161.41</u></u>

21. RESEARCH AND DEVELOPMENT EXPENSES :

For the Year Ended 31st March	<u>2016</u>	<u>2015</u>
(a) Material for Prototyping	67.28	259.42
(b) Salaries and Wages	183.44	140.30
(c) Contribution to provident and other funds (Refer Note 24.2)	11.25	5.94
(d) Travelling, Conveyance and other expenses	47.55	32.38
Total ..	<u><u>309.52</u></u>	<u><u>438.04</u></u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

22. FINANCE COSTS :

For the Year Ended 31st March	2016	2015
(a) Interest Expenses	1.20	0.71
(b) Bank Charges	29.25	44.20
Total..	30.45	44.91

23. OTHER EXPENSES :

For the Year Ended 31st March	2016	2015
Consumables	160.29	263.94
Power and Fuel (Net of Wind Turbine Generation)	2.08	13.77
Rent (Refer Note 24.18)	94.16	89.24
Repairs and Maintenance :		
Buildings	113.64	159.13
Plant and Machinery	209.67	190.99
Computer	68.68	58.24
Others	76.00	25.70
	467.99	434.06
Insurance	31.88	31.87
Rates and Taxes	57.79	28.03
Excise Duty	48.89	47.89
Product Warranty	143.67	200.43
Freight	79.96	83.15
Compensation to Distributors	1,660.61	2,337.17
Advertisement and Sales Promotion	23.92	27.49
Computer Expense	1.29	1.59
Travelling and Conveyance	131.20	141.88
Software licence fees	55.41	39.20
Legal and Professional Fees	178.85	122.75
Directors' Sitting Fees	9.51	12.78
Commission to Non-Executive Directors	15.00	17.50
Auditor's Remuneration (Refer Note 24.9)	5.62	5.46
Lease Rent (Refer Note 24.18)	4.20	4.20
LD charges	1.80	12.81
Diminution in Value of Current Investment	6.95	-
Works & Office Expenses	92.61	62.98
Miscellaneous Labour charges	220.16	223.70
E.mail & Internet Expenses	10.59	9.98
Garden Expenses	22.34	28.40
Exchange Rate Fluctuations difference	-	5.22
Donations	41.55	20.83
CSR Expenditure (Refer Note 24.19)	52.34	43.23
Miscellaneous Expenses	62.14	54.40
Total ..	3,682.80	4,363.95

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)****24.1 CONTINGENT LIABILITY AND COMMITMENT****(a) Contingent Liabilities not provided for:**

(₹ in lacs)

As at 31st March	2016	2015
Guarantee given by the Company on behalf Elecon Engineering Co. Ltd.	2,942.40	2,773.77
Guarantees issued by Banks	2,032.10	2,252.59
Income tax demand disputed by the Company	105.13	112.78
Sales Tax Demand Disputed by the Company	121.92	53.73
Excise & Service tax Demand Disputed by the Company	1,009.09	1,006.89

Note : Outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

(b) Commitment:

Estimated amount of contracts remaining to be executed on Capital Account is ₹ 306.30 Lac (Net of advance) (P.Y. ₹ 121.45 Lac)

24.2 The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

(a) The principal actuarial assumption used in determining the Gratuity for the Company's plan is as under:

Particulars	Gratuity (Funded)	
	2015-16	2014-15
Discount Rate	7.86%	7.92%
Rate of Increase in Compensation Levels	7.00%	7.00%
Rate of Return of plan assets	7.86%	7.92%
Employee Turnover	2%	2%

The following table summarises the components of net benefit expense recognized in the Statement of Profit and loss and the funded status and amounts recognized in the Balance Sheet for the plan.

(b) Net employee benefit expense (recognized in employee cost under provision to Provident and other funds)

(₹ in lacs)

Particulars	2015-16	2014-15
Current service cost	16.08	13.43
Interest cost	25.75	28.81
Expected return on plan assets	(27.69)	(31.24)
Net actuarial (gain) / loss recognized in the year	3.28	16.08
Net benefit expense	17.42	27.08

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(c) The amount recognised in the Balance Sheet is as follows: (₹ in lacs)

Particulars	2015-16	2014-15
Defined benefit obligation	342.08	325.14
Fair value of plan assets	356.58	349.73
	(14.50)	(24.59)
Less: Unrecognized past service cost	-	-
Liability / (Assets) recognized in the Balance Sheet under Non-current assets.	(14.50)	(24.59)

(d) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances there of are as follows: (₹ in lacs)

Particulars	2015-16	2014-15
Opening defined benefit obligation	325.14*	308.12
Interest cost on benefit obligation	25.75	28.81
Current service cost	16.09	13.43
Benefits paid	(28.77)	(41.58)
Actuarial (gains)/losses on obligation due to change in Financial Assumption	1.02	21.38
Actuarial (gains)/losses on obligation due to Experience	2.85	(5.02)
Closing defined benefit obligation	342.08	325.14

* This includes liabilities transferred due to transfer of employees from other companies.

(e) Changes in the fair value of plan assets representing reconciliation of opening and closing balances there of are as follows: (₹ in lacs)

Particulars	2015-16	2014-15
Opening fair value of plan assets	349.73	359.10
Expected Return	27.70	31.24
Contribution by employer	1.69	0.69
Assets Transferred In/Acquisitions	6.03*	-
Assets Transferred pit/Divestments	(0.39)	-
Benefits Paid	(28.77)	(41.58)
Actuarial Gains / (losses)	0.60	0.27
Closing fair value of plan assets	356.58	349.73

* This amount includes transfer of employees from other companies

(f) Investment Details of Plan Assets (% allocation) - Gratuity Fund

Particulars	2015-16	2014-15
Insured Managed Fund	100 %	100 %

Note : The funds are managed by LIC and LIC does not provide breakup of planned assets by investment type.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(g) The amounts pertaining to defined plans are as follows:

(₹ in lacs)

Gratuity Plan (Funded)	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Defined benefit obligation	342.08	325.14	308.12	318.26	272.21
Fair Value of Plan assets	356.58	349.73	359.10	361.01	309.77
Surplus / (deficit)	14.50	24.59	50.98	42.75	37.56
Experience adjustment on plan liabilities (gain)/loss	1.02	(5.02)	0.89	(1.35)	27.83
Experience adjustment on plan assets (loss)/gain	0.59	0.27	(2.50)	2.79	1.94

(h) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

24.3 SEGMENT REPORTING

In terms of AS-17 on "Segment Reporting" the Company neither has more than one business segment nor more than one geographical segment requiring separate disclosure as there is no more distinguishable component or economic environment of an enterprise engaged in providing individual product or service or a group of related products or service and the same is not subjected to different risks and returns either of business or geographical segments.

24.4 PROVISION FOR WARRANTY

A provision of ₹ 143.67 Lac (P.Y ₹ 200.43 Lac) has been recognized for expected warranty claims at 1% on products sold during the current financial year. The warranty claims are for the period of 12 months and hence it is expected that the expenditure towards warranty will be incurred in the next financial year.

Particulars	2015-16	2014-15
As on 1 st April	200.43	193.35
Addition during the year	143.67	200.43
Utilization during the year	87.53	115.84
Additional / Excess during the year	112.90	77.51

24.5 EARNINGS PER SHARE

The numerator and the denominator used to calculate basic and diluted Earnings Per Share.

The Numerator and the Denominator used to calculate basic and diluted Earnings Per Share.	2015-16	2014-15
(a) Net Profit available to Equity Shareholders (₹ in Lacs)	1663.79	2,151.85
(b) Weighted Average number of equity shares used as a denominator for calculating EPS	57,68,385	57,68,385
(c) Basic and Diluted Earnings Per Share (₹)	28.84	37.30
(d) Nominal Value of Equity Shares (₹)	10.00	10.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

24.6 DEFERRED TAX

The deferred tax assets and liabilities for the current year comprises of tax effect of the following timing differences.

(₹ in lacs)

Particulars	2015-16	2014-15
DEFERRED TAX ASSETS :		
(a) Provision for Leave encashment and Bonus	35.52	26.31
(b) Excess of written down value as per books of Accounts over Income Tax written down value	60.55	32.90
	96.07	59.21
DEFERRED TAX LIABILITY :		
(a) Excess of written down value as per books of Accounts over Income Tax Written down value.	-	-
NET DEFERRED TAX ASSETS / LIABILITY	96.07	59.21

24.7 DERIVATIVE INSTRUMENTS

(a) During the year the, Company has entered into the following forward contracts to offset foreign currency risk arising from the amounts denominated in currencies other than the Indian rupees.

Particulars	As at 31 st March 2016	As at 31 st March 2015
Rupees in lacs	-	89.14
EURO	-	1,20,950

(b) Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at 31 st March 2016	As at 31 st March 2015
Payable Against Import of Goods and Services		
<u>Rupees in lacs</u>	184.25	12.03
Euro	2,61,529.46	16,386.23
GBP	-	486.55
US Dollar	1,408.00	-
Advance Payment to Supplier		
<u>Rupees in Lacs</u>	24.57	10.43
Euro	32,451.15	17,171.11
US Dollar	5904	2,525.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)****24.8 RELATED PARTY TRANSACTIONS**

Related Party Disclosures as required by Accounting Standard (AS) 18 are given below:

A) Name of the related parties and nature of relationships :**a) Associates and Joint Ventures**

- (i) Elecon Engineering Company Limited (Joint Venture & Partner)
- (ii) Wizard Fincap Limited (Associate)
- (iii) Eimco Elecon Electricals Limited (Associate)

b) Individual having control / significant influence

- (i) P. B. Patel

c) Key management Personnel

- (i) M. G. Rao
- (ii) N. D. Shelat

d) Enterprises over which (b) or (c) above have significant influence

- (i) Elecon EPC Projects Ltd.
- (ii) EMTICI Engineering Ltd.
- (iii) Prayas Engineering Ltd.
- (iv) Power Build Private Ltd.
- (v) Narmada Travel Services Ltd.
- (vi) Elecon Information Technology Ltd.
- (vii) Madhubhan Prayas Resorts Ltd.
- (viii) Akaaish Mechatronics Ltd.
- (ix) Speciality Woodpack Pvt. Ltd.
- (x) Elecon Peripherals Ltd.
- (xi) Bipra Investment & Trusts Private Ltd.
- (xii) Devkishan Investments Private Ltd.
- (xiii) K.B.investment Private Ltd.
- (xiv) Aishpra Properties Pvt. Ltd.
- (xv) Akaaipra Infracon Pvt. Ltd
- (xvi) BIP Buildcon Pvt. Ltd.
- (xvii) Madhuban Heights Pvt. Ltd.
- (xviii) MTC Buildcon Pvt. Ltd.
- (xix) Akaaish Investments Pvt. Ltd
- (xx) Elecon Australia Pty. Ltd.
- (xxi) Elecon Africa Pty. Ltd.
- (xxii) Elecon Singapore Pte. Ltd.
- (xxiii) Elecon Middle East FZCO
- (xxiv) Elecon Engineering (Suzhou) Co. Ltd.
- (xxv) Elecon Transmission International Ltd.
- (xxvi) Power Build Transmission International Ltd.
- (xxvii) Elecon UK Transmission Ltd.
- (xxviii) Elecon USA Transmission Ltd.
- (xxix) David Brown System Sweden AB, Sweden
- (xxx) AB Benzlers, Sweden
- (xxxi) Benzler Technisch Buro Aandrijftechniek B.V (The Netherlands)
- (xxxii) Banzler Transmission A.S (Denmark)
- (xxxiii) Benzler Andtriebstechnik GmbH, Germany
- (xxxiv) OY Benzler AB (Finland)
- (xxxv) Radicon Transmission (Thailand) Ltd.
- (xxxvi) Radicon Transmission System (Thailand) Ltd.
- (xxxvii) Radicon Transmission (Australia) Pty. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)
24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

e) Collaborators

- (i) Sandvik AB, Sweden
- (ii) Tamrock Great Britain Holdings Limited

For Year Ended 31st March
2016
2015
B) Nature of transactions :
a) Purchase of Material / Finished Goods

(i) Elecon Engineering Company Ltd.	526.80	803.52
(ii) Elecon EPC Projects Ltd.	-	3.30
(iii) Power Build Private Ltd.	0.70	0.40
(iv) Speciality Woodpack Pvt Ltd.	20.27	27.03
(v) Eimco Elecon Electricals Ltd.	61.70	126.63
(vi) Elecon Peripherals Ltd.	3.46	8.03

b) Job work Income

(i) Elecon Engineering Company Limited	0.89	1.48
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c) Job work Expenses to other Co.

(i) Elecon EPC Projects Limited	-	0.28
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d) Sale of Finished Goods / Consumables

(i) Elecon Engineering Company Ltd.	30.22	23.14
(ii) Elecon EPC Projects Ltd.	-	-
(iii) Speciality Woodpack Pvt Ltd.	1.40	2.31
(iv) Eimco Elecon Electricals Ltd.	0.02	0.27
(v) Sandvik Asia Pvt. Ltd. (Pune)	0.33	44.22

e) Purchase of Fixed Assets

(i) Elecon Engineering Company Ltd.	-	1,005.00
(ii) Elecon Information Technology Ltd.	15.05	155.13
(iii) Eimco Elecon Electricals Ltd.	-	-

f) Sale of Fixed Assets

(i) Elecon Engineering Company Ltd.	-	2.61
(ii) Power Build Private Ltd.	-	5.01
(iii) EMTICI Engineering Ltd.	-	0.47
(iv) Eimco Elecon Electricals Ltd.	0.41	

g) Expenses Charged to

(i) Elecon Engineering Company Ltd.	63.71	97.98
(ii) Elecon EPC Projects Ltd.	0.79	1.58

h) Expenses Charged by

(i) Elecon Engineering Company Ltd.	35.48	30.58
(ii) Elecon EPC Projects Ltd.	18.78	17.59
(iii) Speciality Woodpack Pvt. Ltd.	12.39	11.66
(iv) Elecon Information Technology Ltd.	112.74	77.15
(v) Akaaish Mechatronics Ltd.	129.79	101.56
(vi) EMTICI Engineering Ltd.	53.43	49.70
(vii) Wizard Fincap Ltd.	15.64	15.34
(viii) Madhubhan Resort & Spa	3.39	3.98

i) Sales Commission

(i) EMTICI Engineering Ltd.	1,325.88	2,459.43
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j) Reimbursement of Expense paid / payable

(i) Elecon Engineering Company Ltd.	6.32	12.01
(ii) Elecon EPC Projects Ltd.	2.57	0.54

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)****24.8 RELATED PARTY TRANSACTIONS (Contd...)**

(₹ in lacs)

For Year Ended 31st March	<u>2016</u>	<u>2015</u>
k) Reimbursement of Expense received / receivables		
(i) Elecon Engineering Company Ltd.	1.93	70.83
(ii) Elecon EPC Projects Ltd.	-	49.63
(iii) Power Build Private Ltd.	-	19.37
(iv) Eimco Elecon Electricals Ltd.	-	0.22
(v) Elecon Information Technology Ltd.	-	0.88
(vi) Akaaish Mechatronics Ltd.	-	0.22
l) Remuneration		
(i) M. G. Rao	70.05	75.90
(ii) N. D. Shelat	26.81	23.78
m) Dividend Paid		
(i) Tamrock Great Britain Holding Ltd.	72.39	57.92
(ii) Elecon Engineering Company Ltd.	47.92	38.34
(iii) EMTICI Engineering Company Ltd.	40.92	32.73
(iv) K B Investments Private Ltd.	24.35	19.48
(v) BIPRA Investments and Trusts Private Ltd.	9.41	7.53
(vi) Elecon Information Technology Ltd.	7.38	5.90
(vii) Devikishan Investments Private Ltd.	6.05	4.84
(viii) Prayas Engineering Ltd.	1.87	1.50
(ix) Akaaish Mechatronics Ltd.	1.30	1.04
(x) Power Build Private Ltd.	0.80	0.64
n) Guarantees and Collaterals given		
Elecon Engineering Company Ltd.	2,942.40	2,773.77
C) Balance at year end :		
As at 31st March	<u>2016</u>	<u>2015</u>
(i) Outstanding Payables :		
a) Associates and Joint Ventures :		
(i) Wizard FinCap Ltd.	1.17	0.78
(ii) Eimco Elecon Electricals Ltd.	-2.49	24.91
(iii) Elecon Engineering Company Ltd (Joint Venture Partner)	104.95	44.87
b) Key management Personnel		
(i) M. G. Rao	5.00	5.00
c) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :		
(i) Elecon EPC Projects Ltd.	0.77	16.48
(ii) Elecon Peripherals Ltd.	-	-
(iii) EMTICI Engineering Ltd.	159.36	514.09
(iv) Madhubhan Prayas Resorts Ltd.	0.08	-
(v) Elecon Information Technology Ltd.	22.48	0.09
(vi) Akaaish Mechatronics Ltd.	-	7.58
(vii) Speciality Woodpack Pvt. Ltd.	6.84	6.45
(viii) Power Build Pvt. Ltd.	-	0.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

As at 31 st March	<u>2016</u>	<u>2015</u>
(ii) Outstanding Receivables :		
a) Associates and Joint Ventures :		
(i) Elecon Engineering Company Limited (Joint Venture Partner)	54.73	70.12
(iii) Eimco Elecon Electricals Limited (Associate)	0.71	0.29
b) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :		
(i) Elecon EPC Projects Ltd.	-	10.40
(ii) Speciality Woodpack Pvt. Ltd.	0.27	0.55
(iii) Elecon Information Technology Ltd.	-	0.88
(iv) Akaaish Mechatronics Ltd.	-	0.22
(v) EMTICI Engineering Company Ltd.	-	0.47
(vi) Power Build Private Ltd.	-	3.77
c) Collaborators		
(i) Sandvik Asia Private Limited	13.00	15.35
(iii) Investment :		
a) Associates		
(i) Wizard Fincap Ltd.	24.95	24.95
(ii) Eimco Elecon Electricals Ltd.	51.00	51.00

24.9 AUDITOR'S FEES AND EXPENSES INCLUDES REMUNERATION

(₹ in lacs)

Particulars	For the Year	
	2015-16	2014-15
(a) As Auditor	2.25	1.87
(b) For taxation matters	0.99	0.83
(c) For other services	0.90	0.95
(d) For reimbursement of expenses	1.48	1.36
Total	5.62	5.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)
24.10 TURNOVER

(₹ in lacs)

Particulars	2015-16		2014-15	
	Nos.	Value (₹)	Nos.	Value (₹)
Tunneling Loaders with various attachments other than Road Headers	115	3,922.43	238	8,857.66
Mining Machinery viz., Off-The Highway Dumpers of various types including Articulated profile	-	-	-	-
Air Motors	106*	44.48	115*	38.90
Spares for above.	-	8,971.96	-	9,900.99
Hydraulic Cylinders	7**	0.60	1**	-
Construction Equipment	24	404.01	31	486.00
Blast hole & Water well drilling rigs	-	-	-	-
Chair Lift System	2	535.18	1	287.61
TOTAL		13,878.66		19,571.16

*Includes 62(38) numbers for captive consumption.

**Includes 0 (1) numbers for captive consumption.

24.11 CONSUMPTION OF RAW MATERIAL, SPARES & COMPONENTS

(₹ in lacs)

Name of Material	2015-16		2014-15	
	Unit	Value	Unit	Value
Casting	Nos.	257.18	Nos.	504.85
Forgings	Nos.	4.85	Nos.	16.31
Bearings	Nos.	69.94	Nos.	94.11
Round Bars and Plates	Tons.	254.81	Tons.	221.74
Other Raw Materials, Spares & Components		4,043.06		6,495.14
TOTAL		4,629.84		7,332.15

24.12 VALUE OF RAW MATERIALS, SPARES AND COMPONENTS CONSUMED

(₹ in lacs)

Name of Material	2015-16		2014-15	
	Value	%	Value	%
Imported	1,836.51	28	3,105.85	29
Indigenous	4,615.78	72	7,629.84	71
TOTAL	6,452.29	100	10,735.69	100

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

24.13 VALUE OF STORES CONSUMED

(₹ in lacs)

Name of Material	2015-16		2014-15	
	Value	%	Value	%
Indigenous (Refer Note No. 23)	160.29	100	263.94	100
TOTAL	160.29	100	263.94	100

24.14 CIF VALUE OF IMPORTS IN RESPECT OF

(₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
Components and Spares	1,926.15	2,809.02

24.15 EARNING IN FOREIGN EXCHANGE ON ACCOUNT OF

(₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
FOB value of Sales	128.25	131.38

24.16 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
Travelling	4.07	6.13

24.17 AMOUNT REMITTED DURING THE YEAR IN FOREIGN ON ACCOUNT OF DIVIDEND

(₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
Number of Non-resident shareholders	1	1
Number of shares held on which dividend was due	14,47,875	14,47,875
Year to which dividend relates	2014-15	2013-14
Amount remitted (Rs. in Lac)	72.39	57.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)
24.18 INFORMATION REGARDING OPERATING LEASE

(a) In case of assets taken on lease (₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
Lease Payments During the Year	98.36	93.44
Minimum Lease Payments		
Not later than one year	60.60	46.07
Later than one year not later than five years	20.15	40.83

(b) In case of assets given on lease (₹ in lacs)

For the Year	2015-16 (₹)	2014-15 (₹)
Lease Receipt During the Year	36.17	46.19
Minimum Lease Receipt		
Not later than one year	0.30	48.98
Later than one year not later than five years	-	74.33

24.19 Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were primarily allocated to a corpus and utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.: Rs.52.34 Lac.

24.20 Details of Corporate Guarantees given by the Company covered u/s 186 (4) of the Companies Act, 2013.

(₹ in lacs)

Name of the Company	2015-16	2014-15
Elecon Engineering Company Limited	2,942.40	2,773.77

24.21 In view of reclassification certain figures of current year are not strictly comparable with those of previous year.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin Director

Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 27th April, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of **Eimco Elecon (India) Limited** **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of EIMCO ELECON (INDIA) LIMITED (hereinafter referred to as "the Holding Company") and its associates (the Holding Company and its associates together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, and the Consolidated Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit for the year ended on that date.

Other Matters

- (a) The consolidated financial statements also include the Group's share of net profit of ₹ 39.30/- Lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements in respect of one associate out of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditor.



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of associate companies incorporated in India, none of the Directors of the Group Companies

Incorporated in India, is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note 24.1 of the Consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There is no delay in transferring amounts, required to be transferred, to the investors Education and Protection Fund by the Company by the Holding Company and its associates incorporated in India.

For TALATI & TALATI
Chartered Accountants
(Firm Reg. No. 110758W)

(UMESH H. TALATI)

Place : Vallabh Vidhyanagar
Date : 27th April, 2016

Partner
Mem. No. 34834

ANNEXURE 'A' TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Eimco Elecon (India) Limited (hereinafter referred to as "the Holding Company") and its associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its associate companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one out of two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

(UMESH H. TALATI)

Partner

Mem. No. 34834

Place : Vallabh Vidhyanagar

Date : 27th April, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH , 2016**

(₹ in Lacs)

As at 31 st March	Note No.	2016
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	3	576.84
(b) Reserves and Surplus	4	21,635.85
		<u>22,212.69</u>
(2) Non - current liabilities		
(a) Deferred tax liabilities (Net)	24.6	-
(b) Long - term provisions	5	55.68
		<u>55.68</u>
(3) Current liabilities		
(a) Trade Payables	6	2,020.82
(b) Other current liabilities	7	636.00
(c) Short - term provisions	8	514.81
		<u>3,171.63</u>
	Total ...	<u><u>25,440.00</u></u>
II. ASSETS		
(1) Non - current assets		
(a) Fixed assets	9	
(i) Tangible assets		2,948.21
(ii) Intangible assets		42.61
(iii) Capital work-in-progress		16.23
		<u>3,007.05</u>
(b) Non-current investments	10A	2,324.00
(c) Deferrred Tax Assets (Net)	24.6	96.07
(d) Long-term loans and advances	11	257.14
		<u>5,684.26</u>
(2) Current assets		
(a) Current investments	10B	9,480.18
(b) Inventories	12	3,771.21
(c) Trade receivables	13	5,179.67
(d) Cash and Bank Balance	14	151.94
(e) Short-term loans and advances	15	1,172.74
		<u>19,755.74</u>
	Total ...	<u><u>25,440.00</u></u>
Significant Accounting Policies and Notes form an Integral Part of the Financial Statements	1 to 24	

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

N. D. Shelat
(Company Secretary & CFO)

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 27th April, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

		(₹ in Lacs)
For the Year Ended 31st March		2016
	Note No.	
I Revenue from Operations	16	
a) Sale of Products (Gross)		14,829.29
Less : Excise Duty		950.63
Sale of Products (Net)		13,878.66
b) Sale of Services		0.89
c) Other Operating Revenue		78.38
Total (a+b+c)		13,957.93
II Other Income	17	428.90
III Total Revenue (I + II)		14,386.83
IV Expenses :		
Cost of material consumed	18/24.11	4,629.84
Purchase of Traded Goods		2,639.46
Change in Inventories of finished goods, Work-in-progress and Stock-in-trade	19	(817.01)
Employee benefits expenses	20	1,253.61
Research and Development Expenses	21	309.52
Finance costs	22	30.45
Depreciation and amortisation (Refer Note 9 (b))	9	368.95
Other expenses	23	3,682.80
Total Expenses		12,097.62
V Profit Before Tax (III - IV)		2,289.21
VI Less/ [Add] : Tax expenses		
(1) Current tax		620.00
(2) Short / (Excess) Provision of Income Tax		-
(3) Deferred tax		(36.86)
VII Profit for the Year (V - VI)		1,706.07
VIII Earnings per Equity Share :	24.5	
Equity Shares of par value of ₹10/- each		
(1) Basic		29.58
(2) Diluted		29.58

Significant Accounting Policies and Notes form an Integral Part of the Financial Statements 1 to 24.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

N. D. Shelat
(Company Secretary & CFO)

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 27th April, 2016

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016****1A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:**

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

1B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Eimco Elecon (India) Limited ('the Company') and its associates. The consolidated financial statements have been prepared on the following basis:

- a) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- b) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.
- c) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - A. Investments other than in associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments."
 - B. Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 BASIS OF ACCOUNTING**

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

2.2 USE OF ESTIMATES

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.3 FIXED ASSETS AND DEPRECIATION

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost Comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use, but excluding Cenvat / Service Tax / VAT credit availed. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

In respect of fixed assets (other than Plant & Machinery, Road & Technical Know how) acquired during the year, depreciation/ amortization is charged on a written down value basis so as to write off the cost of the assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to 1st April, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life of the assets.

Plant & Machinery & Road has been depreciated on straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

Leasehold Land is amortized over the period of lease.

Fixed assets individually costing Rs 5,000/- or less are fully depreciated in the year of purchase/ installation. Depreciation on additions and disposals during the current reporting period is provided on a pro-rata basis.

Intangible assets are shown at Cost of Acquisition less accumulated amortization. Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of the assets as under:

Assets	Year
Technical Know How	7 Years

2.4 INVESTMENTS

Investments, which are expected to be realized within twelve month from the Balance Sheet date, are classified as current investments. All other investments are classified as non-current investments.

Current Investments are carried at the lower of cost and fair market value of each investment individually. Non-current investments are carried at cost less provision for diminution other than temporary, in value if any as at the Balance Sheet date.

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investments properties are carried at cost less accumulated depreciation.

2.5 INVENTORIES

Inventories are stated at Cost or Net Realizable Value whichever is lower after considering credit of VAT and Cenvat.

Cost of Raw-Material, Spares and Components is determined on weighted average cost.

Cost of Work-in-progress includes cost of raw material, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Finished Goods are valued at the lower of Cost including excise duty payable thereon and net realizable value.

2.6 REVENUE RECOGNITION

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when significant risks and rewards connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export incentives are accounted for as and when the claims thereof have been admitted by the authorities.

Dividend Income is accounted when the right to receive the dividend is established.

Revenue in respect of other income is recognized when a reasonable certainty as to its realization is exits.

2.7 OPERATING LEASES

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases.

Lease revenue and Lease expenses under operating Lease are recognized on straight-line basis over the period of lease.

2.8 EMPLOYEE BENEFITS**(a) Short-term**

Short-term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(b) Long-term

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution Plans.

(c) Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund and Superannuation Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(d) Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the Balance Sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(e) Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

2.9 EXCISE DUTY

Excise duty payable on production and custom duty payable on imports are included in the value of finished goods, both in respect of goods cleared and lying in Bonded warehouse.

2.10 FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transaction are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions.

Foreign Currency Monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or/on reporting the company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

Monetary assets & liabilities denominated in foreign currency remaining unsettled at the year-end are translated at closing rates.

The premium or discount arising at inception of forward exchange contract is amortized as expense or income over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss.

2.11 RESEARCH AND DEVELOPMENT EXPENSES

All revenue expenditure related to R&D, including expenses in relation to development of product/ processes is charged to the Statement of Profit and Loss in the period in which it is incurred.

Capital expenditure on research and development is classified separately under tangible/intangible assets and depreciated on the same basis as other fixed assets.

2.12 BORROWING COSTS

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

2.13 TAXATION

Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from "timing differences that are temporary in nature" between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

2.14 EARNINGS PER SHARE

The basic Earnings per Share is calculated by dividing the Net Profit or Loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the current reporting period.

Diluted Earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the current reporting period.

2.15 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise cash and balance with banks. The Company considers all highly liquid investments with the remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalent.

2.16 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard-3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

2.17 IMPAIRMENT OF ASSETS

The carrying value of assets of the Company's cash generating units is reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

2.18 PRODUCT WARRANTY EXPENSES

Product warranty expenses are estimated by the Management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty cost in the period of recognition of revenue.

2.19 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long-term benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligations as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lacs)

3. SHARE CAPITAL:

As at 31st March	<u>2016</u>
(a) Authorised : (10,000,000 Equity shares of ₹ 10/- each)	1,000.00
(b) Issued, Subscribed and Fully paid	
Issued 57,68,386 Equity Shares of ₹10 each	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10 each	576.84
Issued but not Subscribed 1 (One) Equity Share of ₹10 each	-
Total ..	<u>576.84</u>

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Equity Shares at the beginning of the year	5,768,385
Equity Shares at the end of the year	5,768,385
Amount of Share Capital at the beginning of the year	576.84
Amount of Share Capital at the end of the year	576.84

Details of Shareholders holding more than 5% equity shares

Elecon Engineering Company Ltd. (16.62%)	958,426
EMTICI Engineering Ltd. (14.19%)	818,303
K B Investments Private Ltd. (8.44%)	487,015
Tamrock Great Britain Holding Ltd. (25.10%)	1,447,875

Terms / Rights attached to Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

4. RESERVES AND SURPLUS:

As at 31st March	<u>2016</u>
(a) Capital Reserves	
Balance as per last Balance Sheet	2.91
Share in Associates	365.70
(b) Securities Premium Reserve	
Balance as per last balance sheet	753.83
(c) General Reserve	
Balance as per last Balance Sheet	18,743.45
Add : Transfer from the Statement of Profit and Loss	1,300.00
	<u>20,043.45</u>
Less : Depreciation adjustment (Refer Note 9(1))	-
	<u>20,043.45</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**

4. RESERVES AND SURPLUS (Contd...)		(₹ in lacs)
As at 31st March		<u>2016</u>
(d) Surplus as per statement of Profit and Loss		
Balance as per last Balance Sheet		411.03
Add: Profit for the year		1,706.07
		<u>2,117.10</u>
Less : Appropriations :		
Proposed Dividend		288.42
Tax on Proposed Dividend		58.72
Transfer to General Reserve		1,300.00
		<u>1,647.14</u>
Balance carried forward		469.96
	Total ..	<u><u>21,635.85</u></u>
 5. LONG TERM PROVISIONS :		
As at 31st March		<u>2016</u>
Provision for Employee benefits -Compensated Absences		55.68
	Total ..	<u><u>55.68</u></u>
 6. TRADE PAYABLES :		
As at 31st March		<u>2016</u>
(a) Due to Micro, Small and Medium Enterprises		6.04
(b) Others		2,014.78
	Total ..	<u><u>2,020.82</u></u>

There is no principal amount and interest overdue to Micro and Small Enterprises as at the year end. During the year, no interest has been paid to such parties. The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

7. OTHER CURRENT LIABILITIES :

As at 31st March	<u>2016</u>
(a) Investors Education and Protection Fund - Unpaid Dividends	13.91
(b) Other payables	
Advance from Customers	24.98
Statutory Payables	143.69
Outstanding Expenses	433.56
Purchase of Capital Goods	19.86
Total ..	<u><u>636.00</u></u>

8. SHORT TERM PROVISIONS :

As at 31st March	<u>2016</u>
(a) Provision for Employee benefits - Compensated Absences	24.00
(b) Other Provisions	
Provision for Warranty (Refer Note 24.4)	143.67
Proposed Dividend	288.42
Tax on proposed dividend	58.72
Total ..	<u><u>514.81</u></u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS - CURRENT YEAR

(₹ in lacs)

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1st April 2015	Additions during the Year	Deduction during the Year	As at 1st April 2015	For the Period	On Deduction/Adjustment	As at 31st March 2016	As at 31st March 2015
Tangible Assets :								
Freehold Land	19.26			-	-	-	19.26	19.26
Leasehold Land	905.26	23.93		1.43	14.97	-	912.79	903.83
Buildings	915.22	3.12		348.51	50.55		519.28	566.72
Road	374.83	438.28		8.34	47.94		756.83	366.49
Plant & Machinery	6,274.81	26.57	11.23	5,623.54	87.28	10.67	5,700.15	651.27
Electric Fittings	108.57	5.91		99.99	6.93		7.56	8.58
Office Equipments and Airconditioners	200.71	10.77	0.85	173.28	14.59	0.85	23.61	27.43
Furniture and Fixtures	245.95	13.02		241.37	4.06		13.54	4.58
Vehicles	272.16	6.78	14.89	194.18	27.60	11.40	53.67	77.98
Total Tangible Assets	9,316.77	528.38	26.97	6,690.64	253.92	22.92	2,896.54	2,626.14
Intangible Assets :								
Technical knowhow	301.40	-	-	286.83	13.69	-	0.88	14.57
Software licence fees	206.70	-		167.96	31.50	-	7.24	38.74
Total Intangible Assets (Acquired)	508.10	-	-	454.79	45.19	-	8.12	53.31
Research & Development :								
a. Tangible Assets								
Plant & Machinery	143.19	0.93	-	78.75	13.72	-	51.65	64.44
Office Equipments & Air Conditioners	10.35			10.22	0.11		0.02	0.13
Furniture & Fixtures	0.61			0.61			-	-
b. Intangible Assets (Acquired)	142.49	-	-	76.13	31.87	-	34.49	66.37
Total R & D (C+D)	296.64	0.93	-	165.71	45.70	-	86.16	130.94
Total (A+B+C+D)	10,121.51	529.31	26.97	7,311.14	344.81	22.92	2,990.82	2,810.39
TOTAL TANGIBLE ASSETS (A+C)	9,470.91	529.31	26.97	6,780.22	267.74	22.92	2,948.21	2,690.69
TOTAL INTANGIBLE ASSETS (B+D)	650.60	-	-	530.92	77.07	-	42.61	119.67
Capital Work-in-Progress							16.23	3.65
							3,007.05	2,814.04

Notes :

1) Depreciation includes depreciation on Fixed Assets ₹ 344.81 lacs (P.Y. ₹ 406.35 lacs) and ₹ 24.14 lacs (P.Y. ₹ 26.24 lacs) on Investment in Properties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
10. INVESTMENTS (AT COST)

(₹ in lacs)

 As at 31st March

	Face Value	No. of Shares	2016
(A) Non Current Investments - at cost			
(i) Trade (Unquoted)			
Investments in Equity Instruments			
Eimco Elecon Electrical Limited	10	510000	405.17
Wizard Fincap Limited (Refer Note No 24.8)	10	249500	78.76
			<u>483.93</u>
(ii) Other Investments			
(a) Investments in Property			
Cost of building given on operating lease			524.12
Less : Accumulated Depreciation (Refer Note No 9 (a) & (b))			111.31
Net Block			<u>412.81</u>
(b) Investments in Equity Shares Non Trade (Quoted)			
Bank of Baroda	2	3,500	0.60
Bharti Airtel Limited	5	2655	11.50
Colgate-Palmolive (I) Limited (Bonus share received during the year)	1	1000	3.23
GOL Offshore Limited	10	238	0.00
Grasim Industries Limited	10	1000	10.84
Hindustan Unilever Limited	1	1500	3.95
Infosys Limited (Bonus share received during the year)	5	7424	11.18
ITC Limited	1	3000	3.50
Larsen & Toubro Limited	2	750	8.77
Mahindra & Mahindra Limited	5	8800	8.95
Reliance Industries Limited	10	5100	18.10
Reliance Infrastructure Limited	10	390	2.77
Siemens Limited	2	294	2.61
State Bank of India	1	35000	29.86
Tata Chemicals Limited	10	10000	11.29
Tata Power Limited (Preferential shares received during the year)	1	57000	18.30
Tata Steel Limited	10	11325	33.29
Ultratech Cement Limited	10	571	-
			<u>178.74</u>
(c) Investments in Equity Shares Non Trade (Unquoted)			
Charotar Gas Sahakari Mandali Limited			0.03
(d) Investments in Mutual Fund - Unquoted			
		No. of Units	31-03-2016
Reliance Fixed Horizon Fund - XXV Series 4 Growth (Lien)		2500000.000	250.00
Reliance Fixed Horizon Fund-XXIV Series -16 Growth (Lien)		1000000.000	100.00
SBI Debt Fund Series A 3 420 Days - Growth		574812.300	57.48
SBI Debt Fund Series A 14 380 Days - Growth		515507.300	51.55
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)		499619.904	50.00
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)		499986.289	50.00
Tata Fixed Maturity Fund - Series 46 Scheme B - Growth (Lien)		1046671.963	104.67
			<u>663.70</u>
(e) Investments in Bond Non Trade (Quoted)			
	Face Value	No. of Bonds	31-03-2016
8.20% Power Finance Corporation Limited	1000	28479	284.79
6.88% Power Finance Corporation Limited	1000	30000	300.00
			<u>584.79</u>
Total..(A)			<u><u>2,324.00</u></u>
Aggregate Cost of Quoted Investments			763.53
Market Value of Quoted Investments			1,153.13
Aggregate Value of Unquoted Investments			1,560.47



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

INVESTMENTS (Contd...)

(₹ in lacs)

As at 31st MarchNo. of
Units

2016

(B) Current Investment

Investments in Mutual Fund - Unquoted

Axis Liquid Fund Direct Plan - Daily Dividend	-	-
Birla Sun Life Short Term Fund (Lien)	2133344.350	250.67
Birla Sun Life Short Term Fund Monthly Dividend Regular Plan	5879211.170	691.07
Birla Sun Life Dynamic Bond Fund - Monthly Dividend	2939939.100	310.16
Birla Sun Life Saving Fund	-	-
Birla Sun Life Short Term Opportunity Fund - Growth (Lien)	249432.261	50.23
Birla Sun Life Cash Plus Daily Dividend - Direct (Lien)	734568.490	736.04
Birla Sun Life Cash Plus Daily Dividend - Direct	50298.910	50.40
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Div.	114878.740	1,221.90
HDFC Cash Management Fund - Saving Plan - Daily Dividend	33089.430	351.95
HDFC Fixed Maturity Plan 371D Series -29 Growth (Lien)	4000000.000	400.00
HDFC High Interest Fund Short Term Plan - Growth	398687.330	101.61
ICICI Prudential Dynamic Bond Fund - Direct Plan- Growth	1048498.573	140.88
ICICI Prudential Liquid Direct Plan - Daily Dividend	253982.550	254.16
ICICI Prudential Short Term Fund - Monthly Dividend	2989279.680	363.00
Reliance Dynamic Bond Fund - Growth	619797.574	100.00
Reliance Liquid Fund - Treasury Plan - Daily Dividend	9917.940	151.62
Reliance Liquid Fund - Cash Plan - Direct Plan Daily Dividend	8983.920	100.09
Reliance STF Direct G Plan (Lien)	4640137.967	1,200.00
Reliance Short Term Fund - Monthly Dividend Plan	6164740.200	679.31
Reliance Quarterly Interval Fund - Series III- Direct Growth	2048494.470	254.12
Reliance Money Manager Fund - Growth (Lien)	26513.453	450.00
SBI Magnum Income Fund -Regular Plan - Growth	509589.500	151.79
SBI Premier Liquid Fund - Direct Plan - Growth	20258.680	450.07
SBI Short Term Debt Fund - Regular Plan - Growth	1083150.200	150.00
Tata Income Fund Plan A -Appreciation - Bonus	221449.100	23.33
Tata Income Fund Regular Plan - Appreciation - Growth	115675.800	40.55
Tata Short Term Bond Fund Plan A - Growth (Lien)	1951173.400	400.00
Tata Short Term Bond Fund Direct Plan - Growth	205280.639	50.00
Tata Short Term Bond Fund Direct Plan - Fortnightly Dividend	1059673.610	150.00
Tata Floater Fund Direct Plan - Daily Dividend	20649.660	207.23
Total...		9,480.18
Aggregate Value of Unquoted Investments		9,480.18
Market Value of Investment in Mutual Funds		10,340.95

Note :

- 1) The Company has on behalf of Elecon Engineering Co. Ltd. provided security to a bank by way of lien on Investments made in Mutual Funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

11. LONG TERM LOANS AND ADVANCES :**As at 31st March****2016**

[Unsecured, considered good]

(a) Capital Advances

-

(b) Security Deposits

257.14**Total ..****257.14****12. INVENTORIES :****As at 31st March****2016**

(a) Raw materials and Components (No goods in transit)

1,239.64

(b) Work-in-progress

867.46

(c) Finished Goods

678.45

(d) Stock-in-trade

985.66

(e) Spares & components

-

Total ..**3,771.21****13. TRADE RECEIVABLES :****As at 31st March****2016**

(i) Trade Receivables outstanding for a period exceeding six months from the date they due for payment:

(a) Unsecured, considered good

299.32

(b) Unsecured, considered doubtful

-

(ii) Other Trade receivables:

(a) Unsecured considered good

4,880.35**Total ..****5,179.67****14. CASH AND CASH EQUIVALENTS :****As at 31st March****2016**

(a) Balances with banks

On Current account

137.93

On Unpaid dividend account

13.91

(b) Cash on hand

0.10**Total ..****151.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

15. SHORT TERM LOANS AND ADVANCES :
As at 31st March
2016

(Unsecured considered good)

(a) Others:

Advances to Suppliers

155.25

Interest Receivable

10.70

Windmill Electricity income receivable

0.90

Balance with Excise, Customs and Sales Tax Authorities

684.08

Advance Income Tax (Net of Provision)

290.25

Prepaid Expenses

31.56

Total ..
1,172.74
16. REVENUE FROM OPERATIONS :
For the Year Ended 31st March
2016

(a) Sale of Products (Refer Note No.24.10)

Domestic Sales

13,750.41

Export Sales

128.25

13,878.66

(b) Sale of Services

0.89

(c) Other Operating revenue

Sale of Scrap

54.22

Windmill Electricity Income

24.16

79.27
Total ..
13,957.93
17. OTHER INCOME :
For the Year Ended 31st March
2016

(a) Interest Income - Long Term Investments

43.99

- Others

7.08

(b) Dividend Income - Long term Investments

9.18

- Current Investments

229.34

(c) Profit on sale of Investments - Long Term Investment

-

289.59

(d) Other Non Operating Revenues

Rent

36.17

Sales Tax Refund

-

Profit on sale of Fixed Assets

1.01

Duty Draw Back

4.53

Net Gain on Exchange Rate Fluctuations

2.82

Commission

52.50

Share in income of Associates

42.28

Sundry credit balance written back

-

139.31
Total ..
428.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

18. COST OF MATERIAL AND COMPONENTS CONSUMED (Refer Note No 24.11 & 24.12)**For the Period Ended 31st March****2016**

Opening Stock	1,378.18
Add : Purchases	4,491.30
Total ..	5,869.48

Less : Closing Stock	1,239.64
Total ..	4,629.84

19. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:**For the Year Ended 31st March****2016****(a) Opening Stock**

Finished Goods	204.94
Work-in-progress	393.04
Stock-in-trade	1,116.58
	1,714.56

Less :**(b) Closing Stock**

Finished Goods	678.45
Work-in-progress	867.46
Stock-in-trade	985.66
	2,531.57

Total .. (817.01)**20. EMPLOYEE BENEFITS EXPENSES :****For the Year Ended 31st March****2016**

(a) Salaries and Wages	1,128.46
(b) Contribution to provident and other funds (Refer Note 24.2)	69.01
(c) Staff welfare expenses	56.14
Total ..	1,253.61

21. RESEARCH AND DEVELOPMENT EXPENSES :**For the Year Ended 31st March****2016**

(a) Material for Prototyping	67.28
(b) Salaries and Wages	183.44
(c) Contribution to provident and other funds	11.25
(d) Travelling, Conveyance and other expenses	47.55
Total ..	309.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

22. FINANCE COSTS :

For the Year Ended 31st March	2016
(a) Interest Expenses	1.20
(b) Bank Charges	29.25
Total..	30.45

23. OTHER EXPENSES :

For the Year Ended 31st March	2016
Consumables	160.29
Power and Fuel (Net of Wind Turbine Generation)	2.08
Rent (Refer Note 24.18)	94.16
Repairs and Maintenance :	
Buildings	113.64
Plant and Machinery	209.67
Computer	68.68
Others	76.00
	467.99
Insurance	31.88
Rates and Taxes	57.79
Excise Duty	48.89
Product Warranty	143.67
Freight	79.96
Compensation to Distributors	1,660.61
Advertisement and Sales Promotion	23.92
Computer Expense	1.29
Travelling and Conveyance	131.20
Software licence fees	55.41
Legal and Professional Fees	178.85
Directors' Sitting Fees	9.51
Commission to Non-Executive Directors	15.00
Auditor's Remuneration (Refer Note 24.9)	5.62
Lease Rent (Refer Note 24.18)	4.20
Provision for Bad Debts	-
LD charges	1.80
Diminution in Value of Current Investment	6.95
Works & Office Expenses	92.61
Miscellaneous Labour charges	220.16
E.mail & Internet Expenses	10.59
Garden Expenses	22.34
Exchange Rate Fluctuations difference	-
Donation	41.55
CSR Expenditure (Refer Note 24.19)	52.34
Miscellaneous Expenses	62.14
Total ..	3,682.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

24.1 CONTINGENT LIABILITY AND COMMITMENT

(a) Contingent Liabilities not provided for: (₹ in lacs)

As at 31 st March	2016
Guarantee given by the Company on behalf Elecon Engineering Co. Ltd.	2,942.40
Guarantees issued by Banks	2,032.10
Income tax demand disputed by the Company	105.13
Sales Tax Demand Disputed by the Company	121.92
Excise & Service tax Demand Disputed by the Company	1,009.09

Note : Outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

(b) Commitment:

Estimated amount of contracts remaining to be executed on Capital Account is ₹ 306.30 Lac (Net of advance) (P.Y. ₹ 121.45 Lac)

24.2 The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

(a) The principal actuarial assumption used in determining the Gratuity for the Company's plan is as under:

Particulars	Gratuity (Funded)
	2015-16
Discount Rate	7.86%
Rate of Increase in Compensation Levels	7.00%
Rate of Return of plan assets	7.86%
Employee Turnover	2%

The following table summarises the components of net benefit expense recognized in the Statement of Profit and loss and the funded status and amounts recognized in the Balance Sheet for the plan.

(b) Net employee benefit expense (recognized in employee cost under provision to Provident and other funds) (₹ in lacs)

Particulars	2015-16
Current service cost	16.08
Interest cost	25.75
Expected return on plan assets	(27.69)
Net actuarial (gain) / loss recognized in the year	3.28
Net benefit expense	17.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
(c) The amounts recognized in the Balance Sheet are as follows:

(₹ in lacs)

Particulars	2015-16
Defined benefit obligation	342.08
Fair value of plan assets	356.58
	(14.50)
Less: Unrecognized past service cost	-
Liability / (Assets) recognized in the Balance sheet under Non-current assets.	(14.50)

(d) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follow:

(₹ in lacs)

Particulars	2015-16
Opening defined benefit obligation	325.14
Interest cost on benefit obligation	25.75
Current service cost	16.09
Benefits paid	(28.77)
Actuarial (gains)/losses on obligation due to change in Financial Assumption	1.02
Actuarial (gains)/losses on obligation due to Experience	2.85
Closing defined benefit obligation	342.08

(e) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follow:

(₹ in lacs)

Particulars	2015-16
Opening fair value of plan assets	349.73
Expected Return	27.70
Contribution by employer	1.69
Assets Transferred In/Acquisitions	6.03
Assets Transferred out/Divestments	(0.39)
Benefits Paid	(28.77)
Actuarial Gains / (losses)	0.60
Closing fair value of plan assets	356.58

(f) Investment Details of Plan Assets (% allocation) - Gratuity Fund

(₹ in lacs)

Particulars	2015-16
Insured Managed Fund	100%

Note : The funds are managed by LIC and LIC does not provide breakup of planned assets by investment type.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(c) The amounts pertaining to defined plans are as follow:

(₹ in lacs)

Gratuity Plan (Funded)	As at 31 st March				
	31-03-2016	31-03-2015	31-03-2014	31-03-2013	31-03-2012
Defined benefit obligation	342.08	325.14	308.12	318.26	272.21
Fair Value of Plan assets	356.58	349.73	359.10	361.01	309.77
Surplus / (deficit)	14.50	24.59	50.98	42.75	37.56
Experience adjustment on plan liabilities (gain)/loss	1.02	(5.02)	0.89	(1.35)	27.83
Experience adjustment on plan assets (loss)/gain	0.59	0.27	(2.50)	2.79	1.94

(h) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

24.3 SEGMENT REPORTING

In terms of AS-17 on "Segment Reporting" the Company neither has more than one business segment nor more than one geographical segment requiring separate disclosure as there is no more distinguishable component or economic environment of an enterprise engaged in providing individual product or service or a group of related products or service and the same is not subjected to different risks and returns either of business or geographical segments.

24.4 PROVISION FOR WARRANTY

A provision of ₹ 143.67 Lac (P.Y. Rs. 200.43 Lac) has been recognized for expected warranty claims at 1% on products sold during the current financial year. The warranty claims are for the period of 12 months and hence it is expected that the expenditure towards warranty will be incurred in the next financial year.

(₹ in lacs)

Particulars	2015-16
As on 1 st April	200.43
Addition during the year	143.67
Utilization during the year	87.53
Additional / Excess during the year	112.90

24.5 EARNINGS PER SHARE

The Numerator and the Denominator used to calculate basic and diluted Earnings Per Share.	2015-16
(a) Net Profit available to Equity Shareholders (₹ in Lac)	1706.07
(b) Weighted Average number of equity shares used as a denominator for calculating EPS	5768385
(c) Basic and Diluted Earnings Per Share (₹)	29.58
(d) Nominal Value of Equity Shares (₹)	10.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
24.6 DEFERRED TAX

The deferred tax assets and liabilities for the current year comprises of tax effect of the following timing differences.

(₹ in lacs)

Particulars	2015-16
DEFERRED TAX ASSETS:	
(a) Provision for Compensated Absences, Doubtful Receivables and Bonus	35.52
(b) Excess of written down value as per books of account over Income Tax written down value	60.55
	96.07
DEFERRED TAX LIABILITY:	
(a) Excess of written down value as per books of account over Income Tax written down value	-
NET DEFERRED TAX ASSET / (LIABILITY)	96.07

24.7 DERIVATIVE INSTRUMENTS

The deferred tax assets and liabilities for the current year comprises of tax effect of the following timing differences.

Particulars	As at 31 st March 2016
Payable Against Import of Goods and Services	
<u>Rupees in lacs</u>	184.25
Euro	2,61,529.46
GBP	-
US Dollar	1,408.00
Advance Payment to Supplier	
<u>Rupees in Lacs</u>	24.57
Euro	32,451.15
US Dollar	5,904.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS

Related Party Disclosures as required by Accounting Standard (AS) 18 are given below:

A) Name of the related parties and nature of relationships :

a) Associates and Joint Ventures

- (i) Elecon Engineering Company Limited (Joint Venture & Partner)
- (ii) Wizard Fincap Limited (Associate)
- (iii) Eimco Elecon Electricals Limited (Associate)

b) Individual having control / significant influence

- (i) Prayasvin B. Patel

c) Key management Personnel

- (i) M. G. Rao
- (ii) N. D. Shelat

d) Enterprises over which (b) or (c) above have significant influence

- (i) Elecon EPC Projects Ltd
- (ii) EMTICI Engineering Ltd.
- (iii) Prayas Engineering Ltd.
- (iv) Power Build Private Ltd.
- (v) Narmada Travel Services Ltd.
- (vi) Elecon Information Technology Ltd.
- (vii) Madhubhan Prayas Resorts Ltd.
- (viii) Akaaish Mechatronics Ltd.
- (ix) Speciality Woodpack Pvt. Ltd.
- (x) Elecon Peripherals Ltd.
- (xi) Bipra Investment & Trusts Private Ltd.
- (xii) Devkishan Investments Private Ltd.
- (xiii) K.B.investment Private Ltd.
- (xiv) Aishpra Properties Pvt. Ltd.
- (xv) Akaaipra Infracon Pvt. Ltd
- (xvi) BIP Buildcon Pvt. Ltd.
- (xvii) Madhuban Heights Pvt. Ltd.
- (xviii) MTC Buildcon Pvt. Ltd.
- (xix) Akaaish Investments Pvt. Ltd
- (xx) Elecon Australia Pty. Ltd.
- (xxi) Elecon Africa Pty. Ltd.
- (xxii) Elecon Singapore Pte. Ltd.
- (xxiii) Elecon Middle East FZCO
- (xxiv) Elecon Engineering (Suzhou) Co Ltd.
- (xxv) Elecon Transmission International Ltd.
- (xxvi) Power Build Transmission International Ltd.
- (xxvii) Elecon UK Transmission Ltd.
- (xxviii) Elecon USA Transmission Ltd.
- (xxix) David Brown System Sweden AB, Sweden
- (xxx) AB Benzlers , Sweden
- (xxxi) Benzler Technisch Buro Aandrijftechniek B.V (The Netherlands)
- (xxxii) Banzler Transmission A.S (Denmark)
- (xxxiii) Benzler Andtriebstechnik GmbH, Germany
- (xxxiv) OY Benzler AB (Finland)
- (xxxv) Radicon Transmission (Thailand) Ltd.
- (xxxvi) Radicon Transmission System (Thailand) Ltd.
- (xxxvii) Radicon Transmission (Australia) Pty. Ltd.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS (Contd...)

e) Collaborators

- (i) Sandvik AB, Sweden
- (ii) Tamrock Great Britain Holdings Limited

For Year Ended 31st March

2016

B) Nature of transactions :

a) Purchase of Material / Finished Goods

(i) Elecon Engineering Company Ltd.	526.80
(ii) Elecon EPC Projects Ltd.	-
(iii) Power Build Private Ltd.	0.70
(iv) Speciality Woodpack Pvt Ltd.	20.27
(v) Eimco Elecon Electricals Ltd.	61.70
(vi) Elecon Peripherals Ltd.	3.46

b) Job work Income

(i) Elecon Engineering Company Limited	0.89
--	------

c) Sale of Finished Goods / Consumables

(i) Elecon Engineering Company Ltd.	30.22
(ii) Elecon EPC Projects Ltd.	-
(iii) Speciality Woodpack Pvt Ltd.	1.40
(iv) Eimco Elecon Electricals Ltd.	0.02
(v) Sandvik Asia Pvt. Ltd. (Pune)	0.33

d) Purchase of Fixed Assets

(i) Elecon Engineering Company Ltd.	-
(ii) Elecon Information Technology Ltd.	15.05
(iii) Eimco Elecon Electricals Ltd.	-

e) Sale of Fixed Assets

(i) Eimco Elecon Electricals Ltd.	0.41
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f) Expenses Charged to

(i) Elecon Engineering Company Ltd.	63.71
(ii) Elecon EPC Projects Ltd.	0.79

g) Expenses Charged by

(i) Elecon Engineering Company Ltd.	35.48
(ii) Elecon EPC Projects Ltd.	18.78
(iii) Speciality Woodpack Pvt. Ltd.	12.39
(iv) Elecon Information Technology Ltd.	112.74
(v) Akaaish Mechatronics Ltd.	129.79
(vi) EMTICI Engineering Ltd.	53.43
(vii) Wizard Fincap Ltd.	15.64
(viii) Madhubhan Resort & Spa	3.39

h) Sales Commission

(i) EMTICI Engineering Ltd.	1,325.88
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i) Reimbursement of Expense paid / payable

(i) Elecon Engineering Company Ltd.	6.32
(ii) Elecon EPC Projects Ltd.	2.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

For Year Ended 31st March2016

j) Reimbursement of Expense received / receivables	
(i) Elecon Engineering Company Ltd.	1.93
(ii) Elecon EPC Projects Ltd.	-
(iii) Power Build Private Ltd.	-
(iv) Eimco Elecon Electricals Ltd.	-
(v) Elecon Information Technology Ltd.	-
(vi) Akaaish Mechatronics Ltd.	-
k) Remuneration	
(i) M. G. Rao	70.05
(ii) N. D. Shelat	26.81
l) Dividend Paid	
(i) Tamrock Great Britain Holding Ltd.	72.39
(ii) Elecon Engineering Company Ltd.	47.92
(iii) EMTICI Engineering Company Ltd.	40.92
(iv) K B Investments Private Ltd.	24.35
(v) BIPRA Investments and Trusts Private Ltd.	9.41
(vi) Elecon Information Technology Ltd.	7.38
(vii) Devikishan Investments Private Ltd.	6.05
(viii) Prayas Engineering Ltd.	1.87
(ix) Akaaish Mechatronics Ltd.	1.30
(x) Power Build Private Ltd.	0.80
m) Guarantees and Collaterals given	
Elecon Engineering Company Ltd.	2,942.40
C) Balance at year end :	
As at 31st March	<u>2016</u>
(i) Outstanding Payables :	
a) Associates and Joint Ventures :	
(i) Wizard FinCap Ltd.	1.17
(ii) Eimco Elecon Electricals Ltd.	-2.49
(iii) Elecon Engineering Company Ltd. (Joint Venture Partner)	104.95
b) Key management Personnel	
(i) M. G. Rao	5.00
c) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :	
(i) Elecon EPC Projects Ltd.	0.77
(ii) Elecon Peripherals Ltd.	-
(iii) EMTICI Engineering Ltd.	159.36
(iv) Madhubhan Prayas Resorts Ltd.	0.08
(v) Elecon Information Technology Ltd.	22.48
(vi) Akaaish Mechatronics Ltd.	-
(vii) Speciality Woodpack Pvt. Ltd.	6.84
(viii) Power Build Private Ltd.	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****24.8 RELATED PARTY TRANSACTIONS (Contd...)**

(₹ in lacs)

As at 31st March**2016****(ii) Outstanding Receivables :****a) Associates and Joint Ventures :**

(i) Elecon Engineering Company Limited (Joint Venture Partner)	54.73
(iii) Eimco Elecon Electricals Limited (Associate)	0.71

b) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :

(i) Speciality Woodpack Pvt. Ltd.	0.27
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c) Collaborators

(i) Sandvik Asia Private Limited	13.00
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(iii) Investment :**a) Associates**

(i) Wizard Finicap Ltd.	24.95
(ii) Eimco Elecon Electricals Ltd.	51.00

24.9 AUDITOR'S FEES AND EXPENSES INCLUDES REMUNERATION

(₹ in lacs)

Particulars	For the Year 2015-16
(a) As Auditor	2.25
(b) For taxation matters	0.99
(c) For other services	0.90
(d) For reimbursement of expenses	1.48
Total	5.62

24.10 TURNOVER

(₹ in lacs)

Particulars	2015-16	
	Nos.	Value (₹)
Tunneling Loaders with various attachments other than Road Headers	115	3,922.43
Mining Machinery viz., Off-The Highway Dumpers of various types including Articulated profile	-	-
Air Motors	106*	44.48
Spares for above.	-	8,971.96
Hydraulic Cylinders	7**	0.60
Construction Equipment	24	404.01
Blast hole & Water well drilling rigs	-	-
Chair Lift System	2	535.18
TOTAL		13,878.66

*Includes 62(38) numbers for captive consumption.

**Includes 0 (1) numbers for captive consumption.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
24.11 CONSUMPTION OF RAW MATERIAL, SPARES & COMPONENTS

(₹ in lacs)

Name of Material	2015-16	
	Unit	Value
Casting	Nos.	257.18
Forgings	Nos.	4.85
Bearings	Nos.	69.94
Round Bars and Plates	Tons.	254.81
Other Raw Materials, Spares & Components		4,043.06
TOTAL		4,629.84

24.12 VALUE OF RAW MATERIALS, SPARES AND COMPONENTS CONSUMED

(₹ in lacs)

Name of Material	2015-16	
	Value	%
Imported	1,836.51	28
Indigenous	4,615.78	72
TOTAL	6,452.29	100

24.13 VALUE OF STORES CONSUMED

(₹ in lacs)

Name of Material	2015-16	
	Value	%
Indigenous (Refer Note No. 23)	160.29	100
TOTAL	160.29	100

24.14 CIF VALUE OF IMPORTS IN RESPECT OF

(₹ in lacs)

For the Year	2015-16 (₹)
Components and Spares	1,926.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
24.15 EARNING IN FOREIGN EXCHANGE ON ACCOUNT OF (₹ in lacs)

For the Year	2015-16 (₹)
FOB value of Sales	128.25

24.16 EXPENDITURE IN FOREIGN CURRENCY (₹ in lacs)

For the Year	2015-16 (₹)
Travelling	4.07

24.17 AMOUNT REMITTED DURING THE YEAR IN FOREIGN ON ACCOUNT OF DIVIDEND (₹ in lacs)

For the Year	2015-16 (₹)
Number of Non-resident shareholders	1
Number of shares held on which dividend was due	14,47,875
Year to which dividend relates	2014-15
Amount remitted (Rs. in Lac)	72.39

24.18 INFORMATION REGARDING OPERATING LEASE
(a) In case of assets taken on lease (₹ in lacs)

For the Year	2015-16 (₹)
Lease Payments During the Year	98.36
Minimum Lease Payments	
Not later than one year	60.60
Later than one year not later than five years	20.15

(b) In case of assets given on lease (₹ in lacs)

For the Year	2015-16 (₹)
Lease Receipt During the Year	36.17
Minimum Lease Receipt	
Not later than one year	0.30
Later than one year not later than five years	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

24.19 Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were primarily allocated to a corpus and utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.: Rs. 52.34 Lac.

24.20 Details of Corporate Guarantees given by the Company covered u/s 186 (4) of the Companies Act, 2013.

(₹ in lacs)

Name of the Company	2015-16
Elecon Engineering Company Limited	2,942.40

24.21 The Company has prepared its Consolidated Financial Statements first time and hence corresponding (comparative) figures of Previous Year and the Statement of Consolidated Cash Flow have not been given. Consolidated Statement includes share in associates; Wizard Fincap Ltd. and Eimco Elecon Electricals Ltd.

24.22 In view of reclassification certain figures of current year are not strictly comparable with those of previous year.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)

UMESH H. TALATI
Partner
Membership No.34834

Vallabh Vidyanagar : 27th April, 2016

N. D. Shelat
(Company Secretary & CFO)

For and on behalf of the Board of Directors

Mr. P. C. Amin Director

Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 27th April, 2016



Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries														
Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed dividend	% of share-holding
	No subsidiary													

Part "B" : Associates and Joint Ventures										
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures										
Sr. No.	Name of Associates/ Joint Ventures	1. Latest Audited Balance Sheet Date	2. Shares of Associate/Joint Venture held by company on the year end		3. Description of how there is significant influence	4. Reason why the associate/ joint venture is not consolidated	5. Networth attributable to shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year		
			No.	Amount of investment in Associates in Joint Ventures				Extend of holding %	i. Considered in Consolidation	i. Not considered in Consolidation
1	Eimco Elecon Electricals Ltd.	31-03-2016	510000	51.00	Note*	-	405.17	39.30	-	
2	Wizard Fincap Ltd.	31-03-2016	249500	24.95	Note*	-	78.76	2.98	-	

Note : There is significant influence due to percentage (%) of Share Capital

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

Mr. M. G. Rao

Wholetime Director

N. D. Shelat

(Company Secretary & CFO)

Vallabh Vidyanagar : 27th April, 2016

Eimco Elecon (India) Ltd.
CIN : L29199GJ1974PLC002574
Regd. Office : Anand Sojitra Road, Vallabh Vidyanagar - 388 120, Dist. Anand, Gujarat.

ATTENDANCE SLIP
42nd ANNUAL GENERAL MEETING
on Monday
25th July 2016
at 04.00 p.m.
at the Regd. Office
at Vallabh Vidyanagar-388120.
Dist. Anand, Gujarat.

Folio No./Client ID & DP ID

- * A member/proxy wishing to attend the meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- * If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.
- * Please bring copy of the Annual Report to the Meeting.

I record my presence at the
42nd Annual General Meeting

Name of Proxy in BLOCK LETTERS
(IF the proxy attends instead of the Member)

Signature of Member/Proxy

FORM NO. MGT-11
Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L29199GJ1974PLC002574
Name of the Company : Eimco Elecon (India) Ltd.
Regd. Office : Anand-Sojitra Road, Vallabh Vidyanagar, Dist. Anand, Gujarat.

Name of the members (s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of Shares of the above named Company, hereby appoint.

1. Name :
Address :
Email ID: Signature :..... or falling him
2. Name :
Address :
Email ID: Signature :..... or falling him
3. Name :
Address :
Email ID: Signature :..... or falling him

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Monday, the 25th July, 2016 at 04.00 p.m. at the Registered Office of the company at Vallabh Vidyanagar, Dist. Anand, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below :

1. Adoption of Audited Financial Statements of the Company for the Financial Year ended 31-3-2016 together with the Report of the Board of Directors and Auditors thereon.
2. Declaration of Dividend for the Financial Year ended 31-03-2016.
3. Appointment of a Director in place of Mr. P. C. Amin, who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of Appointment of M/s. Talati & Talati, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
5. Re-appointment of Mr. M. G. Rao as Wholetime Director of the Company.
6. To ratify remuneration to M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for F.Y. 2016-17.

Signed this _____ day of _____ 2016

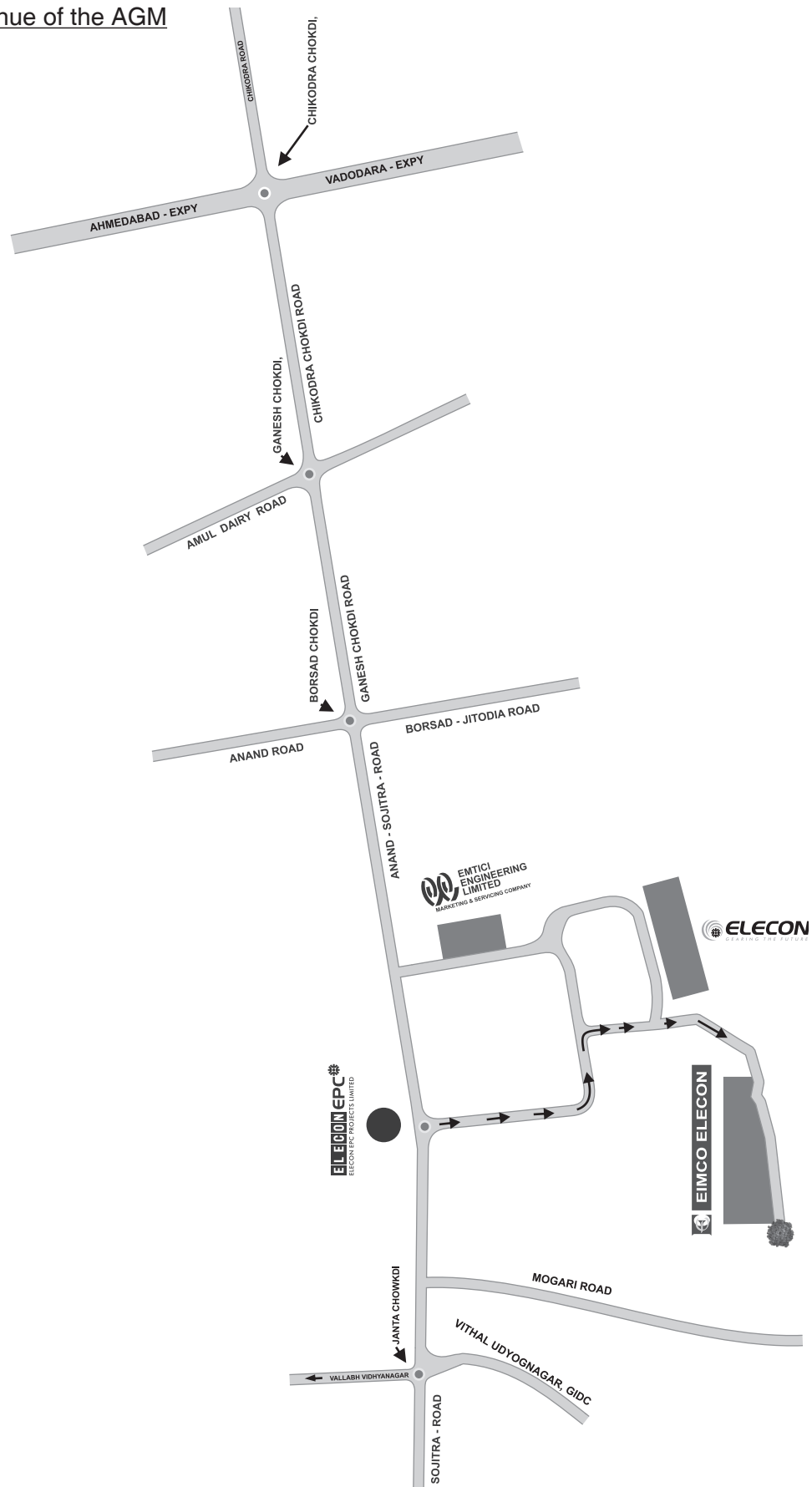
Signature of shareholder(s) : _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp

- Notes :**
1. 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.
 2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 42nd Annual General Meeting.

Route map to the venue of the AGM



BOOK - POST

IF UNDELIVERED PLEASE RETURN TO :

**EIMCO ELECON (INDIA) LIMITED,
VALLABH VIDYANAGAR - 388 120.
GUJARAT.**