

EIMCO ELECON (INDIA) LIMITED

**ANNUAL REPORT
2012-2013**



BOARD OF DIRECTORS

Mr. P. M. Patel	-	Chairman
Mr. P. B. Patel	-	Vice Chairman
Mr. P. C. Amin		
Mr. H. S. Parikh		
Mr. Vihang Virkar		
Mr. Nirmal Bhogilal		
Mr. Nalin M. Shah		
Mr. M. G. Rao	-	Wholetime Director

COMPANY SECRETARY

Mr. Nilesh D. Shelat

AUDITORS

Messrs Talati & Talati
Chartered Accountants
Ahmedabad

COST ACCOUNTANTS

Messrs Y. S. Thakar & Co.
Cost Accountants
Vadodara

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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be held on Thursday, the 1st August, 2013 at 12.00 Noon at the Registered Office of the company at Vallabh Vidyanagar 388120, Gujarat State to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Profit & Loss Account for the year ended on that date and the reports of the Directors & Auditors.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vihang Virkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nirmal Bhogilal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors

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

Date : 30th April, 2013

Nilesh D. Shelat
Company Secretary

NOTES :

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY/PROXIES FORM/S IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- B. The Register of members & Share transfer Books of the Company will be closed from 20-07-2013 to 25-07-2013 (both days inclusive).
- C. The payment of dividend on equity shares as recommended by the directors for the year ended 31st March, 2013 when declared at the meeting will be paid:
 1. To those members whose names appear in the Register of Members of the Company on 19-07-2013;
 2. In respect of shares held in electronics form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) at the end of business hours on 19-07-2013.
- D. The dividend on Equity Shares, if declared at the Meeting, will be credited/ dispatched between 01-08-2013 and 03-08-2013.
- E. The members desiring to have any information on accounts are requested to write to the Company Secretary at least one week in advance of the meeting to enable the Company to keep the information ready.
- F. The members are requested to bring with them their copy of Balance Sheet as no arrangement has been made to distribute additional copies as a measure of economy.

- G. 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.
- H. 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.
- I. 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 together 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.
- J. 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.

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

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2012.	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, 2013.	24	1450

By order of the Board of Directors

Registered Office:
Anand-Sojitra Road
Vallabh Vidyanagar
Gujarat - 388120

Date : 30th April, 2013

Nilesh D. Shelat
Company Secretary

DIRECTORS' REPORT

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

The Directors have pleasure in presenting their 39th Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March 2013.

1. FINANCIAL RESULTS

(₹ in Lacs)

	31-03-2013	31-03-2012
	(₹)	(₹)
Profit before exceptional and extraordinary items and Tax	2014.49	1656.92
Exceptional items - Income from sale of Surface Drilling Product Line	Nil	898.83
Less: Provision for Taxation	500.96	522.95
PROFIT AFTER TAX	1513.53	2032.80
Add: Balance brought forward from last year	366.45	351.82
	1879.98	2384.62
APPROPRIATED AS		
Proposed Dividend	230.74	230.74
Tax on Distributed Profit	39.21	37.43
Transfer to General Reserve	1250.00	1750.00
Balance Carried Forward	360.03	366.45
Total	1879.98	2384.62

2. PERFORMANCE

During the year under review, the Company has achieved the turnover of ₹ 17556.97 Lacs (previous year ₹ 18070.74 Lacs). The net profit stood at ₹ 1513.53 Lacs (previous year ₹ 2032.80 Lacs).

3. DIVIDEND

Your directors recommend for your consideration a dividend of ₹ 4/- (previous year ₹ 4/-) per share of ₹ 10/- each for the year ended 31st March, 2013.

4. INSURANCE

The whole of the properties of the company have been suitably insured.

5. FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of public Deposits) Rules, 1975. There were no unclaimed deposits as on 31st March, 2013.

6. DIRECTORS

Mr. Vihang Virkar and Mr. Nirmal Bhogilal retire by rotation and, being eligible, offer themselves for reappointment. A brief profile of these Directors is appearing in Annexure 4 to this Report.

During the year Mr. Jal Patel resigned from Board of Directors of the Company. Your Directors place on record their sincere appreciation for the valuable contribution made by Mr. Jal Patel.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the financial year;
- that they have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis.

**8. 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 5 to this Report.

9. 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 3 to this Report along with the Auditors' Certificate on its compliance by the Company.

10. 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 Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure 1 to the Directors' Report.

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

The particulars required to be disclosed in this report pursuant to the provision of Section 217(1) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 2 forming part of this report.

12. AUDITORS

The Company's Auditors, Messrs Talati & Talati, retire and being eligible, offer themselves for reappointment. The members are requested to appoint Auditors for the current year and fix their remuneration.

The Certificate has been received from the Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The Auditors have advised that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the peer Review Board of the ICAI.

13. COST AUDITORS

In compliance with the Central Government's order No.52/26/CAB-2010 dated January 24, 2012, the Board has appointed M/s. Y. S. Thakar & Co., Cost Accountants, Vadodara (Regn. No.00318) to carry out the cost Audit of the Company for the Financial year 2012-13.

14. 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. B. Patel
Vice Chairman

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar
Date : 30th April, 2013

ANNEXURE – 1 TO DIRECTORS’ REPORT- ITEM NO.10

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors’ Report for the financial year ended 31st March 2013.

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	54	M.E. (Welding Engg.)	08-09-11	Whole time Director	Overall Management	75,29,578	37,60,022	33	McNally Sayaji Engg. Ltd. (Chief Operating Officer)

Name of employees employed for part of 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. P. B. Patel	55	BE (Mech.) M.B.A	01-04-06	Managing Director	Overall Management	57,87,446	38,57,390	37	Elecon Engg.Co. Ltd. (Managing Director)
2	Mr. D. M. Patel	60	BE (Mech.)	01-09-12	Group President	Production In Charge	42,81,491	24,75,858	36	Power Build Ltd. (Wholetime Director)

Notes:

1. The appointment of Mr. M. G. Rao, Whole Time Director is contractual.
2. Gross remuneration received includes Salary, Commission, House Rent Allowance/rent paid, Medical Expenses, Company’s contribution to Provident, Superannuation and Gratuity Funds, Retirement Benefits, Monetary Value of perquisites in accordance with the provisions of the Income Tax Act, 1961.
3. Experience includes number of years service elsewhere, wherever applicable.
4. Mr. P. B. Patel, Managing Director of the Company is a relative of Mr. P. M. Patel, Director of the Company.

ANNEXURE - 2 TO DIRECTORS' REPORT - ITEM NO.11

Particulars required to be disclosed in the report of Board of Directors pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, and forming part of the Directors' report for the year ended 31st March, 2013.

[A] Conservation of energy :

The steps taken in respect of energy conservation are, provision of capacitors for electric supply system to improve power factors, replacement of sodium vapour lamps in place of mercury vapour lamps, reduction in ceiling height by providing false ceiling and insulation with thermocole wherever required, preventive maintenance, switching off power supplies during recess/lunch time. These continuous & cautious efforts have resulted in saving energy cost to the company.

[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.

- 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:

- Capital : ₹ 85.00 lacs
- Recurring : ₹ 170.71 lacs
- Total R & D expenditure
Percentage of total turnover : 1.46 %

[C] Technology absorption, adaptation & innovation:

- 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.

- 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 has signed Two Collaboration Agreements as mentioned below:

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

[b] Whether technology fully absorbed:

Technology for the Front End Loader and 520G Wheel Loader is absorbed.

[D] Foreign exchange earning & outgo:

- During the year the Company has exported goods worth ₹ 19.57 Lacs and continues to make efforts to push up exports.
- Foreign Exchange used & earned:

<u>Used</u>	<u>Earned</u>
₹ 2984.03 Lacs	₹ 19.57 Lacs

For and on behalf of the Board of Directors

P. B. Patel
Vice Chairman

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 30th April, 2013

Corporate Governance Report

ANNEXURE 3 TO THE DIRECTORS' REPORT - ITEM NO.9

1. Company's philosophy

The Company is committed to good Corporate Governance. The mandatory requirements of Clause 49 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.

2. Board of Directors (the Board)

During the year 2012-2013, four (4) Board Meetings were held i.e. on
8th May 2012
30th July 2012
1st Nov. 2012
21st Jan. 2013

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attendance at AGM held on 30 th July, 12	No. of other Directorships in other companies (excluding Directorships in foreign and private companies)	No. of Committee positions held in other public companies	
						Member	Chairman
1.	Mr. P. B. Patel	NED (P)	4	Yes	11	Nil	Nil
2.	Mr. P. M. Patel	NED (P)	4	Yes	6	4	Nil
3.	Mr. P. C. Amin	NED (P)	4	Yes	10	Nil	1
4.	Mr. Vihang Virkar	NED (I)	4	Yes	Nil	Nil	Nil
5	Mr. H. S. Parikh	NED(I)	4	Yes	3	4	1
6.	Mr. Nalin shah	NED(I)	4	Yes	2	4	Nil
7	Mr. Nirmal Bhogilal	NED(I)	2	Yes	3	2	Nil
8	Mr. Jal R. Patel (upto 25-01-2013)	NED(I)	4	Yes	6	3	4
9	Mr. M. G. Rao	WTD	4	Yes	Nil	Nil	Nil

NED (P) : Non Executive Director (Promoter)

NED (I) : Non Executive Director (Independent)

WTD : Whole-time 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	300 Shares
Mr. P. C. Amin	1275 Shares
Mr. Vihang Virkar	Nil
Mr. Nalin Shah	Nil
Mr. Nirmal Bhogilal	Nil
Mr. P. B. Patel	17796 Shares

3. Audit Committee

The composition of the Audit Committee is as under:

Mr. Nalin Shah (Chartered Accountant)	Chairman (from 21 th January 2013)	NED-I
Mr. H. S. Parikh (Chartered Accountant)	Member	NED-I
Mr. P. M. Patel	Member	NED-P
Mr. P. C. Amin	Member	NED-P
Mr. Vihang Virkar	Member	NED-I
Mr. Nirmal Bhogilal	Member	NED-I
Mr. Jal Patel (Chartered Accountant & Company Secretary) (upto 25-01-2013)	Chairman (upto 1 st November 2012) Member (upto 21 th January 2013)	NED-I

The Managing Director, 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			
	8 th May 2012	30 th July 2012	1 st November 2012	21 st January 2013
Mr. Nalin Shah	Yes	Yes	Yes	Yes
Mr. P. M. Patel	Yes	Yes	Yes	Yes
Mr. Nirmal Bhogilal	No	No	Yes	Yes
Mr. H. S. Parikh	Yes	Yes	Yes	Yes
Mr. P. C. Amin	Yes	Yes	Yes	Yes
Mr. Vihang Virkar	Yes	Yes	Yes	Yes
Mr. Jal Patel	Yes	Yes	Yes	Yes

4. Remuneration Committee

The composition of the Remuneration Committee is as under :

Mr. H. S. Parikh	Chairman	NED-I
Mr. Jal Patel (upto 25-01-2013)	Member	NED-I
Mr. Vihang Virkar	Member	NED-I
Mr. P. M. Patel	Member	NED-P

Members Attendance at Committee Meeting held :

Members	Attendance at Committee Meeting held on 8 th May 2012
Mr. P. M. Patel	Yes
Mr. H. S. Parikh	Yes
Mr. Jal Patel	Yes
Mr. Vihang Virkar	Yes

The details of remuneration paid to Managing Director and Whole Time Director are as under :

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Mr. P. B. Patel Managing Director	3,00,000 p. m.	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 1956.	To be determined by the Remuneration Committee at the end of each financial year subject to overall ceiling of the Companies Act, 1956	57,87,446	01-04-2012 to 31-05-2012
Mr. M. G. Rao Wholetime Director	4,78,000 p.m. + 5,00,000 Bonus p.a.	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 1956.	Nil	75,29,578	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. B. Patel	60,000	-	2,50,000	3,10,000
Mr. P. M. Patel	80,000	1,00,000	2,50,000	4,30,000
Mr. H. S. Parikh	80,000	1,00,000	2,50,000	4,30,000
Mr. P. C. Amin	80,000	80,000	2,50,000	4,10,000
Mr. Vihang Virkar	80,000	1,00,000	2,50,000	4,30,000
Mr. Jal Patel	80,000	1,00,000	2,50,000	4,30,000
Mr. Nalin Shah	80,000	80,000	2,50,000	4,10,000
Mr. Nirmal Bhogilal	40,000	40,000	2,50,000	3,30,000

5. Investors Grievance Committee / Shareholders Committee

With effect from 21st July 2001, the Board of Directors has appointed an Investors Grievance Committee/Shareholders Committee comprising following Directors :

Mr. H. S. Parikh	Chairman	Non-Executive and Independent Director
Mr. P. B. Patel	Member	NED-P
Mr. N. D. Shelat	Secretary & Compliance Officer	Company Secretary



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

6. 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
2011-2012	Registered Office at Vallabh Vidyanagar, Gujarat	30-07-2012	11.30 a.m
2010-2011	-do-	02-08-2011	03.00 p.m
2009-2010	-do-	30-07-2010	04.00 pm

B. Special Resolution

Particulars of Special Resolution passed is as follows:

Financial Year	Date	Particulars
2010-2011	02-08-2011	To make payment of Commission to Non Executive Directors under Section 309(4)

C. Postal Ballot

The Company has not passed any resolution through postal ballot during the year 2012-2013.

7. Disclosures

	Disclosures	
i.	Materially significant related party transactions.	There are no materially significant transactions made by the Company with its promoters, directors or the management, their subsidiaries or relatives, etc. which have potential conflict with the interests of the company at large.
ii.	Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.	Nil
iii.	Whistle Blower Policy	Though there is no formal 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.
iv.	Compliance of mandatory and non- mandatory Requirement of Clause 49	The Company has complied with all the mandatory requirement of Clause 49 and has also complied with one of the non-mandatory requirement viz, setting up of Remuneration Committee.

8. CEO/CFO Certification

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

9. Means of Communication

i.	Half yearly report sent to each shareholders residence.	No
ii.	In which newspapers quarterly results were normally published.	Economics 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

10. General Shareholder Information

- i. AGM – date, time and venue Thursday, the 1st August 2013 at 12.00 Noon
at Regd. Office
Vallabh Vidyanagar.
- ii. Financial year 2012-2013 (year ending 31-03-2013)
- iii. Book Closure Date 20-07-2013 to 25-07-2013 (both days inclusive)
- iv. Dividend payment date Credit / Dispatch of dividend warrants between 1-8-2013 and 3-8-2013
- v. Unclaimed Dividend :

Section 205 of the Companies Act, 1956, 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
2005-2006	12 th September, 2006	16 th September, 2006	11 th September, 2013
2006-2007	16 th July, 2007	18 th July, 2007	15 th July, 2014
2007-2008	29 th July, 2008	1 st August, 2008	28 th July, 2015
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

- vi. Listing on Stock Exchanges

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

Bombay Stock Exchange 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 2012-2013 for the above Stock Exchanges have 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

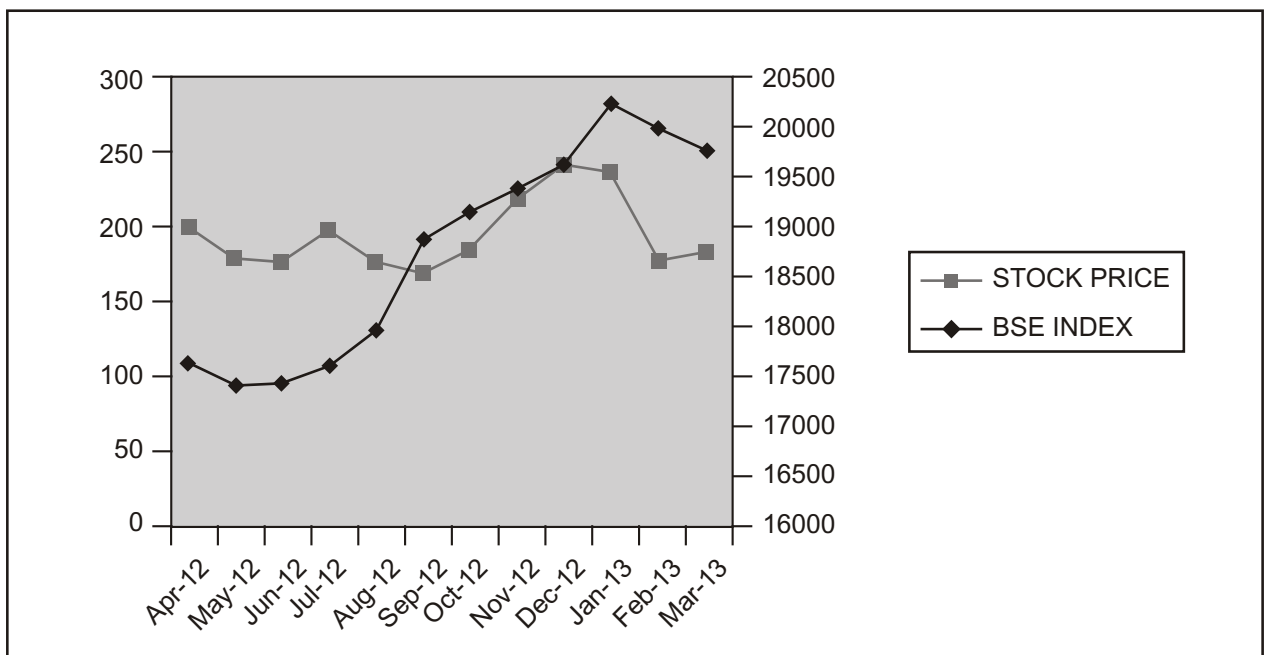
The Stock Code of company's shares is as follows :

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

viii. Market Price Data

	Bombay Stock Exchange Ltd.			BSE Index		National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	High	Low	Volume
Apr 2012	199.95	161.00	6429	17664.10	17010.16	177.80	163.20	3958
May 2012	179.00	157.50	12986	17432.33	15809.71	181.40	160.00	10505
Jun 2012	177.00	160.00	4270	17448.48	15748.98	176.00	162.00	3997
Jul 2012	198.00	167.15	6605	17631.19	16598.48	193.90	165.40	6403
Aug 2012	176.45	160.30	4592	17972.54	17026.97	175.00	160.75	4156
Sep 2012	170.00	157.00	4912	18869.94	17250.80	172.20	155.20	6859
Oct 2012	185.00	164.50	9575	19137.29	18393.42	184.00	166.80	8150
Nov 2012	218.90	169.10	37650	19372.70	18255.69	219.35	168.00	90222
Dec 2012	240.00	212.55	14007	19612.18	19149.03	236.95	213.70	17580
Jan 2013	235.15	180.15	17270	20203.66	19508.93	234.00	178.20	18766
Feb 2013	178.00	145.10	22174	19966.69	18793.97	186.00	148.10	25321
Mar 2013	182.85	142.00	67103	19754.66	18568.43	185.90	142.00	22676

ix. Index graph



x. Share Transfer System

No. of Transfers during the year : 7
 No. of Shares transferred : 800

 xi. Distribution of shareholding as on 31st March, 2013:

Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of Shareholding
1-500	5359	94.5817	578049	10.0210
501-1000	142	2.5062	110968	1.9237
1001-2000	72	1.2707	106145	1.8401
2001-3000	23	0.4059	59690	1.0348
3001-4000	15	0.2647	52634	0.9125
4001-5000	21	0.3706	97791	1.6953
5001-10000	16	0.2824	113727	1.9716
10001 & above	18	0.3178	4649381	80.6010
Total	5666	100.0000	5768385	100.0000

 xii. Shareholding Pattern as at 31st March 2013

	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	200	0.0035
	Sub-total	276628	4.7956
4.	Non-Institutions		
a.	Bodies Corporate	171604	2.9749
b.	Indian Public	1008143	17.4770
c.	Non-Resident Indians	22930	0.3975
d.	Any other	17285	0.2997
	Sub-total	1219962	21.1491
	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 2013, 72.59% (4187104 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

Note on appointment or reappointment of Directors :
ANNEXURE – 4 TO DIRECTORS’ REPORT - ITEM NO.6

1. Mr. Vihang Virkar

The Board had appointed Mr. Vihang Virkar as a Director of the company with effect from 30th July 2009, liable to retire by rotation. Mr. Vihang Virkar is due to retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. Mr. Vihang Virkar has done LL.M from University of Mumbai. He is Lawyer by profession.

Mr. Vihang Virkar does not hold Directorship in any other public companies.

2. Mr. Nirmal Bhogilal

The Board had appointed Mr. Nirmal Bhogilal as a Director of the company with effect from 23rd September 2011 liable to retire by rotation. Mr. Nirmal Bhogilal is B.Sc. (Engg.) Chemical Engg., (London University) A.C.G.I. His Directorships and Committee Memberships of other companies are as under;

Company	Position	Committee Memberships	Chairman/Member
Batliboi Ltd.	Chairman and Managing Director	Shareholders/Investor Grievance & Share Transfer Committee	Member
Hindustan Construction Co. Ltd.	Director	Remuneration Committee Selection Committee	Chairman Chairman
Batliboi Environmental Engineering Ltd.	Director	Audit Committee	Member

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the amended Clause 49 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, 2013.

Place : Vallabh Vidyanagar
 Date : 30th April, 2013

M. G. Rao
 Wholetime Director



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

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 and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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, 2013 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 : Ahmedabad
Date : 30th April, 2013

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

Management's Discussion and Analysis

ANNEXURE-5 TO DIRECTORS' REPORT - ITEM NO.8

INDUSTRY STRUCTURE AND DEVELOPMENT

COAL MINING INDUSTRY

India has a long history of commercial Coal mining covering nearly 220 years starting from 1774. However, for about a century the growth of Indian coal mining remained sluggish for want of demand but the introduction of steam locomotives in 1853 gave a fillip to it. Within a short span, production rose to an annual average of 1 million tone (Mt) and India could produce 6.12 Mts per year by 1900 and 18 Mts per year by 1920. The production got a sudden boost from the first World War but went through a slump in early thirties. The production reached a level of 29 Mts. by 1942 and 30 Mts. by 1946.

Worldwide, coal is an extremely important fuel as it is most abundant and widely distributed fossil fuel source and energy from coal is cheaper. About 29.6% of primary energy needs are met by coal and 39% of electricity is generated from coal. About 70% of world steel production depends on coal feedstock.

The energy dependence on coal is more pronounced in case of developing countries like India. Coal is currently the prime source of energy as it provides about 52% of the commercial energy and about 67% of the electricity generation is coal based.

FUTURE SCENARIO

India cannot afford to restrict its growth on account of supply of energy. Coal, being the prime source of energy in the country with a broader reserve base, has to take major onus of increased energy supply.

The gap between the demand and indigenous availability of coal in the country has been rising. This gap is likely to widen further beyond 12th plan period leading to requirement of huge import. In order to restrict the requirement of coal import, to the extent possible, in coming years, Coal India Ltd (CIL) has no option but to raise its production level to a great extent by every possible means.

Your company continues to be leading manufacturers of Underground Mining Equipment with specialization in Loading and Drilling Equipment. Recently as a part of expansion programme and to broaden product portfolio your company evaluated Indian Mining market for potential of some equipment having synergy with our present line

of manufacture and decided to venture into manufacture of "CHAIR LIFT MAN RIDING SYSTEMS". These 'Chair lift man riding systems' are very versatile systems for faster movement of Miners to face from surface and vice versa with utmost degree of safety and comfort. Faster movement of Miners in Coal and Non- Coal Underground Mines will eventually attribute to increased production from Underground Mines. It is also pertinent to mention this system will be developed 'in house' by your company to save sizeable foreign exchange.

CONSTRUCTION EQUIPMENT INDUSTRY

The increased investment in different infrastructure sectors, is well expected to create huge demand for construction equipment. Based on the projected GDP growth, an estimated amount of around \$ 1300 billion is planned to be invested in different infrastructure sectors during the span of 8-10 years.

For the infrastructure development, which is completely based on the targeted massive investment, the construction equipment manufacturing industry estimates that construction equipment demand would go up to around 1,00,000 units during 2014 which include; backhoe loaders, crawler excavators and dozers, piling rigs, compactors, and mobile cranes.

FUTURE SCENARIO

Over the last 3-4 years, various new entrants have made inroads into the Indian construction equipment industry that include some of the biggest names from Japan, USA, and Korea. Simultaneously, a number of domestic companies are seen to be expanding their capacities or diversifying their product portfolio through collaboration and tie-up arrangements.

The projected demand of equipment will be stimulated by positive demand fundamentals, led by good deal of projects lined for infrastructure development by the private and the government sector in the mid and long-term.

OPPORTUNITY AND THREATS

Future holds tremendous opportunities for Model AL 120 Wheel Loader of 1.2 CuM capacity which was



launched some time back and has gradually established its superiority in this class of loader market. Launch of Loader of 1.9 CuM capacity was slightly delayed due to various unexpected reasons but now prototype has been successfully commissioned. This size of loader will cater to niche segment and significant business growth is envisaged for this capacity of Loader.

Your company has also engaged a reputed marketing survey agency to undertake market survey to add additional product lines in Construction Equipment segment and in the near future some more products will be added to the Construction Equipment family.

Apart from above, your Company is also exploring export potential of our underground mining equipment in market of Republic of South Africa, South America, South East Asia etc. and expect sizeable business from these markets in near future.

OUT LOOK FOR THE COMPANY

With the all-round revival of coal companies and introduction of state-of-the-art technologies products for mining as-well-as for construction 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, 2013 were ₹ 17556.97 lacs as compared to ₹ 18070.74 lacs on 31st March, 2012. The net profit stood at ₹ 1513.53 lacs (previous year ₹ 2032.80 lacs).

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.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Eimco Elecon (I) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have 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 appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us,
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place : Ahmedabad
Date : 30th April, 2013

**ANNEXURE TO THE AUDITOR'S REPORT****RE: Eimco Elecon (India) Ltd.**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any major part of the Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) During the year the company has not given any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause (iii) (b),(c),(d) are not applicable to the company.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no continuing failure to correct major weaknesses has been noticed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) During the year, the Company has not accepted any deposits under the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, income-tax, sales-tax wealth-tax, service tax, custom duty, excise duty cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

(b) The disputed Statutory dues aggregating to ₹ 831.91 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	14.44	Various years from 2002-03 to 2010-11	Appellate Authority
2	Central Excise Act, 1944	Excise Duty and Service Tax	817.47	Various years from 2006-07 to 2010-11	Appellate Authority

(x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks.

(xii) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xv) In our opinion and according to the explanations given to us the company has not given any guarantee during the year for loans taken by others from financial institutions or banks.

(xvi) There were no term loans obtained by the company during the year.

(xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.

(xviii) The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s.301 of the Act.

(xix) During the period covered by our audit report, the company has not issued any debentures.

(xx) The company has not raised any money out of public issue. Moreover, the company has not received any fresh public deposit during the year.

(xxi) We report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place : Ahmedabad
Date : 30th April, 2013

BALANCE SHEET

As at 31 st March		Notes	2013	(₹ in Lacs) 2012
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a)	Share Capital	3	576.84	576.84
(b)	Reserves and Surplus	4	16,421.75	15,178.17
			<u>16,998.59</u>	<u>15,755.01</u>
(2) Non - current liabilities				
(a)	Deferred tax liabilities (Net)	24.6	64.72	111.01
(b)	Long - term provisions	5	52.77	56.94
			<u>117.49</u>	<u>167.95</u>
(3) Current liabilities				
(a)	Trade Payables	6	1,629.01	1,667.04
(b)	Other current liabilities	7	307.87	375.56
(c)	Short - term provisions	8	459.63	451.99
			<u>2,396.51</u>	<u>2,494.59</u>
	Total ...		<u><u>19,512.59</u></u>	<u><u>18,417.55</u></u>
II. ASSETS				
(1) Non - current assets				
(a)	Fixed assets	9		
(i)	Tangible assets		1,411.29	1,988.61
(ii)	Intangible assets		257.35	216.99
(iii)	Capital work-in- progress		210.63	5.61
(b)	Non-current investments	10	1,325.97	535.31
(c)	Long-term loans and advances	11	155.58	209.53
			<u>3,360.82</u>	<u>2,956.05</u>
(2) Current assets				
(a)	Current investments	10	4,893.44	4,439.62
(b)	Inventories	12	5,425.96	4,226.18
(c)	Trade receivables	13	4,822.91	5,071.27
(d)	Cash and Bank Balance	14	359.50	436.16
(e)	Short-term loans and advances	15	649.96	1,288.27
			<u>16,151.77</u>	<u>15,461.50</u>
	Total ...		<u><u>19,512.59</u></u>	<u><u>18,417.55</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

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

UMESH H. TALATI
Partner
Membership No.34834

Ahmedabad : 30th April, 2013

Nilesh D. Shelat
(Company Secretary)

For and on behalf of the Board of Directors

Mr. P. B. Patel Vice Chairman

Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 30th April, 2013

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the Year Ended 31 st March		Notes	2013	2012
			(₹ in Lacs)	
I	Revenue From Operations	16		
a)	Sale of Products (Gross)		18,141.68	18,902.83
	Less : Excise Duty		1,104.19	1,225.46
	Sale of Products (Net)		17,037.49	17,677.37
b)	Sale of Services		3.52	35.92
c)	Other Operating Revenue		115.63	85.23
	Total (a+b+c)		17,156.64	17,798.52
II	Other income	17	400.33	272.22
III	Total Revenue (I + II)		17,556.97	18,070.74
IV	Expenses :			
	Cost of material consumed	18	6,541.53	7,153.08
	Purchase of Stock in Trade		3,259.65	2,475.38
	Change in Inventories of finished goods, Work in progress and Stock in trade	19	(795.75)	1,121.05
	Employee benefits expenses	20	1,041.86	1,007.84
	Research and Development Expenses	21	170.71	172.63
	Finance costs	22	40.50	49.33
	Depreciation and amortisation (Refer Note 9 (b))	9	524.60	531.04
	Other expenses	23	4,759.38	3,903.47
	Total Expenses		15,542.48	16,413.82
V	Profit before exceptional and extraordinary items and tax (III - IV)		2,014.49	1,656.92
VI	Exceptional Item (Net)		-	898.83
VII	Profit before tax (V-VI)		2,014.49	2,555.75
VIII	Less/ [Add] :Tax expenses			
(1)	Current tax		535.00	584.00
(2)	Short Provision of Income Tax		12.25	0.00
(3)	Deferred tax		(46.29)	(61.05)
IX	Profit for the Period (VII - VIII)		1,513.53	2,032.80
X	Earnings per equity share :	24.5		
	Equity Shares of par value of ₹10/- each			
(1)	Basic		26.24	35.24
(2)	Diluted		26.24	35.24
	No. of shares used in computing earning per share			
(1)	Basic		57,68,385	57,68,385
(2)	Diluted		57,68,385	57,68,385

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

As per our report of even date

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

UMESH H. TALATI
Partner
Membership No.34834

Ahmedabad : 30th April, 2013

Nilesh D. Shelat
(Company Secretary)

For and on behalf of the Board of Directors

Mr. P. B. Patel Vice Chairman
Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 30th April, 2013

CASH FLOW STATEMENT

(₹ in Lacs)

 For the year ended 31st March

2013
2012
A. CASH FLOW FROM OPERATING ACTIVITIES:

 Net Profit before tax and non-recurring items: **2,014.49** **2,555.75**
Add:

1) Depreciation	524.60	531.04	
2) Interest Paid	0.12	5.72	
3) Loss on assets discarded	17.52	-	
	542.24	-	536.76

Less:

1) Interest Received	48.18	11.54	
2) Dividend Received	299.30	204.94	
3) Profit on Sale of Assets	-	7.54	
	347.48	-	224.02

Operating profit before change in working capital **2,209.25** **2,868.49**
Changes in Working Capital
Add / (Less) :

1) Inventories	(1,199.78)	3,043.70	
2) Trade payable	(104.03)	(163.45)	
3) Trade receivables	248.36	(45.34)	
4) Loans and Advances	897.43	(328.05)	2,506.86

Cash generated from operation **2,051.23** **5,375.35**
Less :

1) Income Tax (Net)	752.42		625.14
---------------------	---------------	--	--------

NET CASH INFLOW FROM OPERATING ACTIVITIES (A) **1,298.81** **4,750.21**
B. CASH FLOW FROM INVESTING ACTIVITIES :

1) Sale of Fixed Assets	100.80	235.55	
2) Interest Received	48.18	11.54	
3) Dividend Received	299.30	204.94	452.03

Less:

1) Purchase of Fixed Assets	416.19	384.93	
2) Purchase of Investments	1,139.27	4,348.77	4,733.70

NET CASH UTILISED IN INVESTING ACTIVITIES (B) **(1,107.18)** **(4,281.67)**

CASH FLOW STATEMENT (Contd...)

(₹ in Lacs)

For the year ended 31st March20132012**C. CASH FLOW FROM FINANCING ACTIVITIES:****Outflow:**

1) Interest paid	0.12		5.72	
2) Dividend Paid	<u>268.17</u>	<u>268.29</u>	<u>267.67</u>	<u>273.39</u>

**NET CASH OUTFLOW IN
FINANCING ACTIVITIES (C)**(268.29)(273.39)**NET INCREASE / (DECREASE) IN CASH AND
CASH EQUIVALENTS (A+B+C)****(76.66)****195.15**

Cash and Cash Equivalents as at 01/04/2012

436.16**241.01**

Cash and Cash Equivalents as at 31/03/2013

359.50**436.16**

As per our report of even date

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)**UMESH H. TALATI**
Partner
Membership No.34834Ahmedabad : 30th April, 2013**Nilesh D. Shelat**
(Company Secretary)

For and on behalf of the Board of Directors

Mr. P. B. Patel

Vice Chairman

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 30th April, 2013

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2013****1. COMPANY OVERVIEW**

Eimco Elecon (India) Ltd. is in business of Manufacturing of Equipments for Mining and Construction sector. The Company was incorporated in 1974 and situated at Vallabh Vidyanagar, Gujarat - 388 120.

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, the provisions of the Companies Act, 1956 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. 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.

Depreciation has been provided on Plant & Machinery on the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956.

For all other assets depreciation has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

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
Computer Software	4 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 lower of the 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. Investment 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 lower of cost or net realizable value.

Finished Goods are valued at lower of Cost including excise duty payable thereon or Net realizable value.

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2013 (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 practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

All the items of expenses and income are accounted on accrual basis, except Dividend Income, Insurance claims, Commission and Duty Drawback received which are accounted on receipt basis.

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 is recognized on straight line basis.

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 a 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.

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)****2.11 RESEARCH AND DEVELOPMENT EXPENSES**

All revenue expenditure related to R&D including expenses in relation to development of product/ processes are charged to 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 COST

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 EARNING PER SHARE

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

Diluted Earning 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" issued by ICAI 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 are 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 its present value and are determined based on best estimate required to settle the obligation 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 THE FINANCIAL STATEMENTS

(₹ in lacs)

3. SHARE CAPITAL:

As at 31 st March	<u>2013</u>	<u>2012</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
Issue but not Subscribed 1 (One) Equity Shares of ₹ 10/- each	-	-
(c) Par Value of Share (₹ 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:

Number of shares at the beginning	57,68,385	57,68,385
Number of shares at the end	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 ₹ 10/- per Share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend 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, 2012 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 4/-.

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>2013</u>	<u>2012</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	14,054.98	12,304.98
Add : Transfer from statement of profit and loss	1,250.00	1,750.00
	<u><u>15,304.98</u></u>	<u><u>14,054.98</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

4. RESERVES AND SURPLUS (Contd...)		(₹ in lacs)	
As at 31st March	<u>2013</u>	<u>2012</u>	
(d) Surplus as per statement of Profit and Loss			
Balance brought forward	366.45	351.82	
Add : Profit for the period	1,513.53	2,032.80	
	<u>1,879.98</u>	<u>2,384.62</u>	
Less : Appropriations :			
Proposed Dividend	230.74	230.74	
Tax on Proposed Dividend	39.21	37.43	
Transfer to General Reserve	1,250.00	1,750.00	
	<u>1,519.95</u>	<u>2,018.17</u>	
Balance as at year end	360.03	366.45	
Total ..	<u>16,421.75</u>	<u>15,178.17</u>	
5. LONG TERM PROVISIONS :			
As at 31st March	<u>2013</u>	<u>2012</u>	
(a) Provision for Employee benefits - Leave liability	52.77	56.94	
Total ..	<u>52.77</u>	<u>56.94</u>	
6. TRADE PAYABLES :			
As at 31st March	<u>2013</u>	<u>2012</u>	
(a) Due to Micro, Small and Medium Enterprises	102.07	90.16	
(b) Others	1,526.94	1,576.88	
Total ..	<u>1,629.01</u>	<u>1,667.04</u>	

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

(a) Principal amount remaining unpaid to any supplier as at the year end	102.07	90.16
(b) Interest due thereon	-	-
(c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-

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 FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

7. OTHER CURRENT LIABILITIES :

As at 31 st March	<u>2013</u>	<u>2012</u>
(a) Interest accrued and due on borrowings	-	0.82
(b) Unclaimed dividends	12.37	12.07
(c) Unclaimed matured deposits and interest accrued thereon.	-	0.55
(d) Other payables		
Advance from Customers	55.67	9.55
Statutory Payables	132.76	128.66
Provision for Expenses	82.01	180.77
Purchase of Capital Goods	25.06	43.14
Total ..	<u><u>307.87</u></u>	<u><u>375.56</u></u>

8. SHORT TERM PROVISIONS :

As at 31 st March	<u>2013</u>	<u>2012</u>
(a) Provision for Employee benefits - Leave Liability	19.68	7.32
(b) Others		
Provision for Warranty	170.00	176.50
Proposed Dividend	230.74	230.74
Provision for :		
Tax on Proposed Dividend	39.21	37.43
Total ..	<u><u>459.63</u></u>	<u><u>451.99</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS

(₹ in lacs)

	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1 st April 2012	Additions	Deductions/ Transfer	As at 31 st March 2013	For the Year	Deductions/ Transfer	As at 31 st March 2013	As at 31 st March 2012
TANGIBLE ASSETS :								
Freehold Land	19.26	-	-	19.26	-	-	19.26	19.26
Buildings	591.99	8.77	142.16	458.60	286.17	23.13	179.87	305.82
Plant & Machinery	7,000.31	15.17	861.31	6,154.17	5,636.98	350.77	920.32	1,363.34
Electric Fittings	72.62	18.26	-	90.88	54.19	3.40	33.29	18.42
Office Equipments and Airconditioners	164.31	7.50	0.53	171.28	111.33	7.81	52.60	52.98
Furniture and Fixtures	235.19	7.12	-	242.31	193.16	9.09	40.06	42.03
Vehicles	251.86	25.38	17.39	259.85	119.63	34.15	112.98	132.23
Total Tangible Assets	8,335.54	82.20	1,021.39	7,396.35	6,401.46	428.35	1,358.38	1,934.08
INTANGIBLE ASSETS:								
Technical know how	301.40	-	-	301.40	221.58	30.74	49.08	79.82
Software licence fees.	157.34	43.95	-	201.29	20.17	44.70	136.42	137.17
Total Intangible Assets	458.74	43.95	-	502.69	241.75	75.44	185.50	216.99
Research & Development :								
Tangible Assets	98.43	10.10	7.44	101.09	45.70	9.55	52.91	52.73
Intangible Assets	15.00	74.90	-	89.90	13.18	4.87	71.85	1.82
Total R & D	113.43	85.00	7.44	190.99	58.88	14.42	124.76	54.55
TOTAL	8,907.71	211.15	1,028.83	8,090.03	6,702.09	518.21	1,668.64	2,205.62
Previous Year	9,195.96	379.32	667.57	8,907.71	6,610.63	531.04	2,205.62	2,585.33

Notes :

- (a) Transfer includes Buildings, Investment in Property shown under 'Non-Current Investments'. Gross Block ₹ 142.16 Lacs, Accumulated Depreciation ₹ 30.57 Lacs and Net Block ₹ 111.59 Lacs
- (b) Depreciation includes Depreciation on Fixed Assets ₹ 518.21 Lacs and ₹ 6.39 Lacs Depreciation on Investment in Property.



NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

10. INVESTMENTS (AT COST)

As at 31 st March	<u>2013</u>	<u>2012</u>
(a) Non Current Investments - at cost		
(i) Trade (Unquoted)		
Investments in Equity Instruments		
Wizard Fincap Ltd. (2,49,500 shares of ₹ 10/- each)	24.95	24.95
Eimco Elecon Electricals Ltd. (5,10,000 shares of ₹ 10/- each)	51.00	51.00
(ii) Other Investments		
(a) Investments in Property		
Cost of building given on operating lease	527.62	-
Less : Accumulated Depreciation (Refer Note No 9 (a) & (b))	36.96	-
Net Block	<u>490.66</u>	<u>-</u>
(b) Investments in Equity Shares Non Trade (Quoted)		
Bank of Baroda (700 shares of ₹ 10/- each)	0.60	0.60
Grasim Industries Ltd. (1,000 shares of ₹ 10/- each)	10.84	10.84
Ultratech Cement Ltd. (571 shares of ₹ 10/- each)	-	-
GOL Offshore Ltd. (238 shares of ₹ 10/- each)	-	-
Infosys Ltd. (1,856 shares of ₹ 5/- each)	11.18	11.18
Mahindra & Mahindra Ltd. (8,800 shares of ₹ 5/- each)	8.95	8.95
Reliance Industries Ltd. (5,100 shares of ₹ 10/- each)	18.10	18.10
Reliance Infrastructure Ltd. (390 shares of ₹ 10/- each)	2.77	2.77
State Bank of India (3,500 shares of ₹ 10/- each)	29.86	29.86
Tata Chemicals Ltd. (10,000 shares of ₹ 10/- each)	11.29	11.29
Tata Steel Ltd. (11,325 shares of ₹ 10/- each)	33.29	33.29
Tata Power Ltd. (50,000 shares of ₹ 1/- each)	14.10	14.10
ITC Ltd. (3,000 shares of ₹ 1/- each)	3.50	3.50
Bharti Airtel Ltd. (2,655 shares of ₹ 5/- each)	11.50	11.50
Colgate-Palmolive (I) Ltd. (500 shares of ₹ 1/- each)	3.23	3.23
Hindustan Unilever Ltd. (1500 shares of ₹ 1/- each)	3.95	3.95
Larsen & Toubro Ltd. (500 shares of ₹ 2/- each)	8.77	8.77
Siemens Ltd. (294 shares of ₹ 2/- each)	2.61	2.61
(c) Investments in Equity Shares Non Trade (Unquoted)		
Charotar Gas Sahakari Mandali	0.03	0.03
(d) Investments in Bond Non Trade (Quoted)		
8.20% Power Finance Corporation Ltd. (28,479 of ₹ 1000/- each)	284.79	284.79
6.88% Power Finance Corporation Ltd. (30,000 of ₹ 1000/- each)	300.00	-
Total ..	<u><u>1,325.97</u></u>	<u><u>535.31</u></u>
Aggregate Value of Quoted Investments	759.33	459.33
Market Value of Quoted Investments	1,051.35	734.36
Aggregate Value of Unquoted Investments	566.64	75.98

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

(₹ in lacs)

As at 31st March
2013
2012
(b) Current Investment (lower of cost and fair value)
Investments in Mutual Fund - Unquoted

Reliance Liquid Fund (Units 2,095.934, P.Y. NIL)	31.71	-
Reliance Monthly Interval Fund - Series I (Units NIL, P.Y. 50,95,730.540)	-	512.11
Reliance Monthly Interval Fund - Series II (Units NIL, P.Y. 21,14,793.561)	-	211.59
Reliance Liquidity Fund (Units 5041.775, P.Y 98,29,014.360)	50.44	983.40
Reliance Short Term Fund - Growth (Units 38,78,042.826, P.Y. NIL)	800.00	-
Reliance Income Fund - Bonus (Units 22,30,356.651, P.Y. NIL)	250.00	-
Reliance Floating Rate (Units 1,03,21,581.218, P.Y. NIL)	1,040.71	-
SBI Premier Liquid Fund (Units 5,017.793, P.Y. 25,253.4924)	50.34	253.36
SBI SHDF STP - Growth (Units 4,01,528.586, P.Y. NIL)	51.91	-
SBI MICF Liquid Floater (Units 9,939.044, P.Y. NIL)	100.38	-
SBI Magnum Income - Growth (Units 1,72,980.916, P.Y. NIL)	50.10	-
HDFC Cash Management Fund - Treasury Advantage Plan (Units NIL, P.Y. 25,30,850.434)	0.00	253.88
HDFC High Interest Fund Short Term (Units 13,64,895.792 , P.Y. NIL)	300.00	-
HDFC Floating Rate (Units 19,80,147.08, P.Y. NIL)	199.62	-
Tata Fixed Income Portfolio Fund Scheme B2 (Units NIL, P.Y. 19,97,283.694)	-	201.61
Tata Fixed Income Portfolio Fund Scheme A2 (Units NIL, P.Y. 19,97,762.506)	-	201.62
Tata Liquid Fund Plan A Daily Dividend (Units NIL, P.Y. 28,784.372)	-	320.81
Tata Short Term Bond Fund - Growth (Units 19,51,173.445, P.Y. NIL)	400.00	-
Tata Income Fund -Appreciation -Growth (Units 2,47,436.824, P.Y. NIL)	85.60	-
Tata Income Fund -Appreciation - Bonus (Units 5,69,440.651, P.Y. NIL)	60.00	-
Birla Sun Life Saving Fund (Units 605561.705, P.Y. 5,10,756.436)	606.10	511.11
Birla Sun Life Dynamic Bond Fund (Units 24,43,975.883, P.Y. NIL)	257.87	-
Birla Sun Life Short Term Fund (Units 17,68,233.452, P.Y. NIL)	206.08	-
ICICI Prudential Liquid Super Institutional Plan (Units 37830.297, P.Y. 6,88,226.741)	37.86	688.38
ICICI Prudential Dynamic Dividend (Units 9,81,112.816, P.Y. NIL)	100.19	-
ICICI Prudential Interval Fund IV (Units NIL, P.Y. 14,99,565.128)	-	150.04
Kotak Floater Short Term (Units 6,104.6324, P.Y. 14,99,636.913)	61.75	151.71
Kotak Floater Long Term (Units 2,63,669.772, P.Y. NIL)	26.58	-
Kotak Short Term Bond Fund (Units 2,58,472.441, P.Y. NIL)	26.20	-
Kotak Bond Scheme Plan A - Growth (Units 2,95,379.089, P.Y. NIL)	100.00	-
Total ..	4,893.44	4,439.62

Aggregate Value of Unquoted Investments
4,893.44
4,439.62
NAV of Investment in Mutual Funds
4,990.59
4,439.62

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

11. LONG TERM LOANS AND ADVANCES :

As at 31 st March	2013	2012
[Unsecured Considered good]		
(a) Capital Advances	-	135.10
(b) Security Deposits	155.58	74.43
Total ..	155.58	209.53

12. INVENTORIES :

As at 31 st March	2013	2012
(a) Raw materials	206.96	290.74
(b) Work-in-progress	1,245.94	788.53
(c) Finished Goods	287.14	51.28
(d) Stock in Trade	1,415.20	1,312.72
(e) Components	2,270.72	1,782.91
Total ..	5,425.96	4,226.18

13. TRADE RECEIVABLES :

As at 31 st March	2013	2012
(a) Debts outstanding for a period exceeding six months from due date:		
(i) Unsecured considered good	246.44	67.52
(ii) Unsecured considered doubtful	-	41.59
Less : Provision for doubtful debts	-	(41.59)
Total ..	246.44	67.52
(b) Other Debts:		
(i) Unsecured considered good	4,576.47	5,003.75
Total ..	4,822.91	5,071.27

14. CASH AND CASH EQUIVALENTS :

As at 31 st March	2013	2012
(a) Balances with banks		
In Current account	347.03	323.99
In Unpaid dividend account	12.37	12.07
In Term Deposit account (Having remaining maturity of less than three Months)	-	100.00
(b) Cash on hand	0.10	0.10
Total ..	359.50	436.16

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

15. SHORT TERM LOANS AND ADVANCES :

As at 31st March	<u>2013</u>	<u>2012</u>
(Unsecured considered good)		
(a) Others:		
Advances to Suppliers	58.05	281.12
Interest Receivable	10.97	3.84
Balance with Excise, Customs and Sales Tax Authorities	155.50	768.18
Advance Income Tax (Net of Provision)	362.21	157.04
Prepaid Expenses	63.23	78.09
Total ..	<u>649.96</u>	<u>1,288.27</u>

16. REVENUE FROM OPERATIONS :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Sale of Products (Refer Note No.24.10)		
Domestic Sales	17,017.92	17,561.38
Export Sales	19.57	115.99
	<u>17,037.49</u>	<u>17,677.37</u>
(b) Sale of Services	3.52	35.92
(c) Other Operating Revenues		
Sale of Scrap	115.63	85.23
Total ..	<u>17,156.64</u>	<u>17,798.52</u>

17. OTHER INCOME :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Interest Income - Long Term Investments	24.14	5.75
- Current Investments	24.04	5.79
(b) Dividend Income - Long term Investments	7.69	6.96
- Current Investments	291.61	197.98
(c) Profit on Sale of Assets (Net)	-	7.54
	<u>347.48</u>	<u>224.02</u>
(d) Other Non Operating Revenues:		
Rent	36.97	38.98
Insurance Claim	0.16	0.38
Sales Tax Refund	0.49	-
Duty Draw Back	0.55	-
Net Gain on Exchange Rate Fluctuations	7.97	7.62
Sundry credit balance written back	6.71	1.22
	<u>52.85</u>	<u>48.20</u>
Total ..	<u>400.33</u>	<u>272.22</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

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

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
Opening Stock	2,073.65	3,996.30
Add : Purchases	6,945.56	5,230.43
	<u>9,019.21</u>	<u>9,226.73</u>
Less : Closing Stock	2,477.68	2,073.65
Total ..	<u>6,541.53</u>	<u>7,153.08</u>

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

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Opening Stock		
Finished Goods	51.28	654.26
Work in Progress	788.53	963.26
Stock-in-Trade	1,312.72	1,656.06
	<u>2,152.53</u>	<u>3,273.58</u>
Less :		
(b) Closing Stock		
Finished Goods	287.14	51.28
Work in Progress	1,245.94	788.53
Stock-in-Trade	1,415.20	1,312.72
	<u>2,948.28</u>	<u>2,152.53</u>
Total ..	<u>(795.75)</u>	<u>1,121.05</u>

20. EMPLOYEE BENEFITS EXPENSES :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Salaries and Wages	907.52	871.92
(b) Contribution to provident and other funds	91.26	92.15
(c) Staff welfare expenses	43.08	43.77
Total ..	<u>1,041.86</u>	<u>1,007.84</u>

21. RESEARCH AND DEVELOPMENT EXPENSES :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Material for Prototyping	18.21	32.95
(b) Salaries and Wages, Contribution to PF and other funds and other related expenditure	133.91	129.28
(c) Travelling, Conveyance and other expenses	18.59	10.40
Total ..	<u>170.71</u>	<u>172.63</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

22. FINANCE COSTS :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
(a) Interest Expenses	0.12	5.72
(b) Bank Charges	40.38	43.61
Total..	<u>40.50</u>	<u>49.33</u>

23. OTHER EXPENSES :

For the Year Ended 31st March	<u>2013</u>	<u>2012</u>
Consumables	224.77	235.59
Power and Fuel (Net of Wind Turbine Generation)	20.84	44.67
Rent	88.11	81.03
Repairs and Maintenance :		
Buildings	123.86	72.77
Plant and Machinery	216.36	176.52
Computer	42.02	33.62
Others	26.95	41.24
	<u>409.19</u>	<u>324.15</u>
Insurance	34.53	35.42
Rates and Taxes	579.10	19.05
Excise Duty	48.56	(66.98)
Product Warranty	170.00	176.50
Freight	65.01	107.25
Compensation to Distributors	2,214.23	1,929.24
Advertisement and Sales Promotion	30.36	36.75
Computer Expense	3.71	1.17
Travelling and Conveyance	162.01	78.29
Software licence fees	68.82	43.73
Legal and Professional Fees	143.79	326.82
Directors' Sitting Fees	11.80	11.00
Commission to Non-Executive Directors	20.00	12.50
Auditors Remuneration (Refer Note No.24.9)	7.02	4.52
Lease Rent (Refer Note No.24.18)	4.33	22.61
LD charges	44.98	158.02
Loss on Sale of Assets	17.52	-
Works & Office Expenses	56.20	52.39
Miscellaneous Labour charges	168.97	163.65
E.mail & Internet Expenses	11.38	12.56
Garden Expenses	14.61	17.35
Donation	73.00	18.90
Miscellaneous Expenses	66.54	57.29
Total ..	<u>4,759.38</u>	<u>3,903.47</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24.1 CONTINGENT LIABILITY AND COMMITMENT

(a) Contingent Liabilities not provided for:

(₹ in lacs)

As at 31 st March	2013	2012
Guarantees Issued By Banks	1961.55	1978.38
LC opened but goods yet to be received	497.90	366.76
Income tax demand disputed by the Company	185.38	262.17
Sales Tax Demand Disputed by the Company	57.86	27.42
Excise & Service tax Demand Disputed by the Company	842.46	1468.47

(b) Commitment:

Estimated amount of contracts remaining to be executed on Capital Account is ₹ 202.73 Lacs (P.Y. ₹ 668.88 Lacs)

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)	
	2012-13	2011-12
Discount Rate	8.00%	8.50%
Rate of Increase in Compensation Levels	7.00%	7.00%
Rate of Return of plan assets	8.70%	8.50%
Employee Turnover	2%	2%

The following tables summarise 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 respective plan.

(b) Net employee benefit expense (recognized in employee cost):

(₹ in lacs)

Particulars	2012-13	2011-12
Current service cost	14.57	10.21
Interest cost	23.14	20.81
Expected return on plan assets	(26.33)	(23.71)
Net actuarial (gain) / loss recognized in the year	3.32	20.67
Net benefit expense	14.70	27.98

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(c) The amounts recognised in the Balance Sheet are as follows: (₹ in lacs)

Particulars	2012-13	2011-12
Defined benefit obligation	318.26	272.21
Fair value of plan assets	361.01	309.77
	(42.75)	(37.56)
Less: Unrecognized past service cost	-	-
Liability / (Assets) recognized in the Balance sheet.	(42.75)	(37.56)

(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	2012-13	2011-12
Opening defined benefit obligation	272.21	252.20
Interest cost on benefit obligation	23.14	20.81
Current service cost	14.57	10.21
Benefits paid	(44.59)	(33.62)
Liabilities transferred from other companies*	46.82	0.00
Actuarial (gains)/losses on obligation	6.11	22.61
Closing defined benefit obligation	318.26	272.21

* 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	2012-13	2011-12
Opening fair value of plan assets	309.77	287.38
Expected Return	26.33	23.71
Contribution by employer	19.90	30.36
Benefits paid	(44.59)	(33.62)
Assets transferred from other companies*	46.82	-
Actuarial Gains/(losses)	2.79	1.94
Closing fair value of plan assets	361.02	309.77

This amount includes transfer of employees from other companies

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

Particulars	2012-13	2011-12
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 FINANCIAL STATEMENTS (Contd...)

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

(₹ in lacs)

Gratuity Plan (Funded)	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011	As at 31-03-2010	As at 31-03-2009
Defined benefit obligation	318.26	272.21	252.20	214.60	182.19
Fair Value of Plan assets	361.01	309.77	287.38	208.63	185.02
Surplus / (deficit)	42.75	37.56	35.18	(5.97)	2.83
Experience adjustment on plan liabilities (gain)/loss	(1.35)	27.83	2.54	14.01	7.71
Experience adjustment on plan assets (gain)/loss	2.79	1.94	2.08	2.29	1.86

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 ₹ 170.00 Lacs (P.Y. ₹ 176.50 Lacs) 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)

As on 01-04-12	Addition	Utilization	Additional / Excess	As on 31-03-13
176.50	170.00	230.31	(53.81)	170.00
(184.44)	(176.50)	(303.69)	(119.25)	(176.50)

Note : Figures in brackets are for previous year.

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.	2012-13	2011-12
(a) Net Profit available to Equity Shareholders (₹ in Lacs)	1513.53	2032.80
(b) Weighted Average number of equity shares used as a denominator for calculating EPS (₹ in Lacs)	57.68	57.68
(c) Basic and Diluted Earnings Per Share (₹)	26.24	35.24
(d) Nominal Value of Equity Shares (₹)	10.00	10.00

NOTES TO THE 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	2012-13	2011-12
DEFERRED TAX ASSETS :		
(a) Provision for Leave encashment and Bonus	23.91	21.23
(b) Provision for Doubtful Debtors	-	13.50
	23.91	34.73
DEFERRED TAX LIABILITY :		
(a) Excess of written down value as per books of accounts over Income Tax Written down value.	88.63	145.74
NET DEFERRED TAX LIABILITY	64.72	111.01

24.7 DERIVATIVE INSTRUMENTS

- (a) During the year, the Company has not entered into any forward contracts to offset foreign currency risk arising from the amounts denominated in currencies other than the Indian rupees. Hence there is no outstanding as at the year end.
- (b) Foreign currency exposure at the yearend not hedged by derivative instruments.

Particulars	As at 31 st March 2013	As at 31 st March 2012
Payable Against Import of Goods and Services		
<u>Rupees in Lacs</u>	39.80	39.90
Pound Sterling	-	-
Euro	54,340.36	-
US Dollar	3,200.00	77,995.00
Advance Payment to Supplier		
<u>Rupees in Lacs</u>	3.66	239.53
Pound Sterling	-	74,350.60
Euro	5,043.03	185,485.65
US Dollar	-	98,696.00
AUD	-	8,975.80
Advance Received from Customer		
<u>Rupees in Lacs</u>	1.05	
US Dollar	1,972.00	

NOTES TO THE 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**

- (i) Elecon Engineering Company Limited
- (ii) Elecon EPC Projects Limited
- (iii) Wizard FinCap Limited
- (iv) Eimco Elecon Electricals Limited

b) Individual having control/ significant influence

- (i) Prayasvin B. Patel
- (ii) M. G. Rao

c) Key management Personnel

- (i) Prayasvin B. Patel
- (ii) M. G. Rao

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

- (i) EMTICI Engineering Limited
- (ii) Prayas Engineering Limited
- (iii) Power Build Limited
- (iv) Elecon Information Technology Limited
- (v) Madhubhan Prayas Resorts Limited
- (vi) Akkaish Mechatronics Limited
- (vii) Speciality Woodpack Pvt. Limited
- (viii) Elecon Peripherals Limited
- (ix) Bipra Investment & Trusts Private Limited
- (x) Devkishan Investments Private Limited
- (xi) K. B. Investment Private Limited
- (xii) Elecon Australia Pty. Limited
- (xiii) Elecon Africa Pty. Limited
- (xiv) Elecon Singapore Pte. Limited
- (xv) Elecon Middle East FZCO
- (xvi) Elecon Engineering (Suzhou) Co. Limited
- (xvii) Elecon Transmission International Limited
- (xviii) Power Build Transmission International Limited
- (xix) Elecon UK Transmission Limited
- (xx) Elecon USA Transmission Limited
- (xxi) David Brown System Sweden AB, Sweden
- (xxii) AB Benzlers, Sweden
- (xxiii) Benzler Technisch Buro Aandrijftechniek B.V. (The Netherland)
- (xxiv) Banzler Transmission A.S. (Denmark)
- (xxv) Benzler Andriebstehnik GmbH, Germany
- (xxvi) OY Benzler AB (Finland)
- (xxvii) Radicon Transmission (Thailand) Limited
- (xxviii) Radicon Transmission System (Thailand) Limited
- (xxix) Radicon Transmission (Australia) Pty. Limited

e) Collaborators

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

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

(₹ in lacs)

For Year Ended 31st March**2013****2012****B) Nature of transactions :****a) Purchase of Material / Finished Goods**

(i) Elecon Engineering Co. Limited	894.68	205.92
(ii) Elecon EPC Projects Limited	2.48	-
(iii) Prayas Engineering Limited	-	632.36
(iv) Power Build Limited	0.99	6.65
(v) Speciality Woodpack Pvt. Limited	24.31	30.70
(vi) Eimco Elecon Electricals Limited	94.81	128.79

b) Job work Income from other Co.

(i) Elecon Engineering Co. Limited	1.91	29.02
(ii) Elecon EPC Projects Limited	0.40	-
(iii) Power Build Limited	0.08	3.65
(iv) Eimco Elecon Electricals Limited	1.13	0.72

c) Job work Expenses to other Co.

(i) Elecon Engineering Co. Limited	1.74	1.81
(ii) Elecon EPC Projects Limited	5.32	-
(iii) Prayas Engineering Limited	-	11.89
(iv) Power Build Limited	-	0.16

d) Sale of Finished Goods / Consumables

(i) Elecon Engineering Co. Limited	46.75	2.73
(ii) Prayas Engineering Limited	-	23.18
(iii) Speciality Woodpack Pvt. Limited	1.44	1.65
(iv) Eimco Elecon Electricals Limited	0.63	-
(v) Sandvik Asia Pvt. Limited (Pune)	5.05	1,385.06

e) Purchase of Fixed Assets

(i) Elecon EPC Projects Limited	5.23	-
(ii) Elecon Information Technology Limited	82.31	46.97
(iii) Eimco Elecon Electricals Limited	0.11	-
(iv) EMTICI Engineering Limited	1.16	-
(v) Power Build Limited	19.45	-

f) Sale of Fixed Assets

(i) Elecon Engineering Co. Limited	106.82	233.24
(ii) Prayas Engineering Limited	-	27.63
(iii) Eimco Elecon Electricals Limited	-	0.27

g) Sale of Surface Business Product line

(i) Sandvik Asia Pvt. Limited (Pune)	-	1,650.00
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h) Expenses Charged to other Co.

(i) Elecon Engineering Co. Limited	0.06	20.12
(ii) Elecon EPC Projects Limited	27.45	-
(iii) Prayas Engineering Limited	-	23.83
(iv) Sandvik Asia Pvt. Limited (Pune)	-	0.35

i) Expenses Charged by other Co.

(i) Elecon Engineering Co. Limited	68.27	98.55
(ii) Elecon EPC Projects Limited	49.22	-
(iii) Speciality Woodpack Pvt. Limited	16.46	12.64
(iv) Elecon Information Technology Limited	50.21	60.91

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

(₹ in lacs)

For Year Ended 31st March	<u>2013</u>	<u>2012</u>
(v) Akaaish Mechatronics Limited	114.61	92.85
(vi) EMTICI Engineering Limited	38.64	43.40
(vii) Wizard Fincap Limited	15.76	32.00
(viii) Madhubhan Resort & Spa	4.80	2.96
j) Sales Commission		
(i) EMTICI Engineering Limited	2,206.69	2,015.75
k) Remuneration		
(i) Prayasvin B. Patel	20.91	87.45
(ii) A. M. Deshpande	-	30.13
(iii) M. G. Rao	69.90	36.93
l) Relative of Key management personnel		
(i) P. M. Patel	4.30	4.70
m) Dividend Paid		
(i) Tamrock Great Britain Holding Limited	57.91	57.91
(ii) Elecon Engineering Company Limited	38.34	38.34
(iii) EMTICI Engineering Limited	32.73	32.73
(iv) K. B. Investments Private Limited	19.48	19.48
(v) BIPRA Investments and Trusts Private Limited	7.53	7.53
(vi) Elecon Information Technology Limited	5.90	5.90
(vii) Devikishan Investments Private Limited	4.84	4.84
(viii) Prayas Engineering Limited	1.50	1.50
(ix) Akaaish Mechatronics Limited	1.04	1.04
(x) Power Build Limited	0.64	0.64
B) Balance at year end :		
As at 31st March	<u>2013</u>	<u>2012</u>
(i) Outstanding Payables :		
a) Associates and Joint Ventures		
(i) Elecon Engineering Company Limited	106.19	106.17
(ii) Elecon EPC Projects Limited	3.11	-
(iii) Wizard FinCap Limited	1.06	0.88
(iv) Eimco Elecon Electricals Limited	10.51	56.87
b) Enterprises over which (b) or (c) of (A) above have significant influence		
(i) EMTICI Engineering Limited	335.36	373.09
(ii) Prayas Engineering Limited	-	33.28
(iii) Power Build Limited	-	(0.16)
(iv) Elecon Information Technology Limited	1.73	0.24
(v) Madhubhan Prayas Resorts Limited	-	0.03
(vi) Akkaish Mechatronics Limited	8.60	-
(vii) Speciality Woodpack Pvt. Limited	4.30	6.78
c) Key management Personnel		
(i) Prayasvin B. Patel	2.50	45.00
(ii) A. M. Deshpande	-	7.50
(iii) M. G. Rao	5.00	2.78

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

(₹ in lacs)

As at 31st March	2013	2012
d) Relatives of Key management personnel		
(i) P. M. Patel	2.50	2.50
(ii) Outstanding Receivables :		
a) Associates		
(i) Elecon Engineering Company Limited	1.96	16.55
(ii) Elecon EPC Projects Limited	9.15	-
(iii) Eimco Elecon Electricals Limited	1.03	0.92
(iv) Speciality Woodpack Pvt. Limited	0.38	0.23
b) Enterprises over which (b) or (c) of (A) above have significant influence		
(i) Prayas Engineering Limited	-	2.30
(iii) Investment :		
a) Associates		
(i) Wizard FinCap Limited	24.95	24.95
(ii) Eimco Elecon Electricals Limited	51.00	51.00

Note : In view of Scheme of arrangement under sections 391 and 394 of the Companies Act, 1956 between “Prayas Engineering Limited” and “EMTICI Engineering Limited” and “Elecon Engineering Company Limited” and “Elecon EPC Projects Limited” effective from 1st April 2012, there are two resultant company (1) Elecon Engineering Company Limited and (2) Elecon EPC Projects Limited.

Hence, business transaction made during F.Y.12-13 with Elecon Engineering Company Limited and Prayas Engineering Limited has been bifurcated and transferred to the above two resultant companies.

In view of the above previous year's figures are not comparable with current year's figures.

24.9 AUDITORS FEES AND EXPENSES INCLUDES REMUNERATION

(₹ in lacs)

For the Year	2012-13 ₹	2011-12 ₹
(a) Auditor	1.50	1.30
(b) For Taxation matter	2.05	-
(c) For tax audit fees	0.45	0.30
(d) For other services	1.51	1.77
(e) For reimbursement of expenses	1.50	1.15
Total	7.01	4.52

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

(₹ in lacs)

Particulars	2012-13		2011-12	
	Nos.	Value (₹)	Nos.	Value (₹)
Tunneling Loaders with various attachments other than Road Headers	217	6207.11	321	8957.66
Mining Machinery viz., Off-The Highway Dumpers of various types including Articulated profile	-	-	-	-
Air Motors	136*	56.43	121*	72.34
Spares for above.	-	10077.36	-	7717.43
Hydraulic Cylinders	10**	4.33	42**	12.18
Construction Equipment	46	692.26	26	375.96
Blast hole & Water well drilling rigs	-	-	7	541.80
TOTAL		17037.49		17677.37

*Includes 29 (11) numbers for captive consumption.

**Includes 1 (1) number for captive consumption.

24.11 CONSUMPTION OF RAW MATERIAL, SPARES & COMPONENTS

(₹ in lacs)

Name of Material	2012-13		2011-12	
	Unit	Value (₹)	Unit	Value (₹)
Casting	Nos.	583.87	Nos.	634.53
Forgings	Nos.	16.35	Nos.	20.32
Bearings	Nos.	99.16	Nos.	78.84
Round Bars and Plates	Tons.	442.26	Tons.	450.47
Other Raw Materials, Spares & Components		5399.89		5968.92
TOTAL		6541.53		7153.08

24.12 VALUE OF RAW MATERIALS, SPARES AND COMPONENTS CONSUMED

(₹ in lacs)

For the Year	2012-13		2011-12	
	Value (₹)	%	Value (₹)	%
Imported	2,871.53	44	2,478.05	35
Indigenous	3,670.00	56	4,675.03	65
TOTAL	6,541.53	100	7,153.08	100

NOTES TO THE FINANCIAL STATEMENTS (Contd...)
24.13 VALUE OF STORES CONSUMED

(₹ in lacs)

For the Year	2012-13		2011-12	
	Value (₹)	%	Value (₹)	%
Imported	-	-	29.88	13
Indigenous	224.77	100	205.71	87
TOTAL	224.77	100	235.59	100

24.14 CIF VALUE OF IMPORTS IN RESPECT OF

(₹ in lacs)

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
Components and Spares	2922.21	2612.85

24.15 EARNING IN FOREIGN CURRENCY

(₹ in lacs)

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
FOB value of Sales	19.57	115.99

24.16 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
Travelling	2.46	-
Others	1.44	43.59

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

(₹ in lacs)

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
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	2011-12	2010-11
Amount remitted	57.92	57.92

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24.18 INFORMATION REGARDING OPERATING LEASE

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

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
Lease Payments During the Year	89.13	99.73
Minimum Lease Payments		
Not later than one year	112.58	89.52
Later than one year not later than five years	177.46	170.73

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

For the Year	2012-13 (Value ₹)	2011-12 (Value ₹)
Lease Receipt During the Year	18.00	3.00
Minimum Lease Receipt		
Not later than one year	43.76	43.76
Later than one year not later than five years	139.28	4.20

24.19 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

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

UMESH H. TALATI
Partner
Membership No.34834

Ahmedabad : 30th April, 2013

Nilesh D. Shelat
(Company Secretary)

For and on behalf of the Board of Directors

Mr. P. B. Patel

Vice Chairman

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 30th April, 2013

EIMCO ELECON (INDIA) LIMITED

Registered office : Vallabh Vidyanagar, Anand, Gujarat, Pin 388 120.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
--------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 39th Annual General Meeting of the Company held on Thursday, the 1st August, 2013 at 12.00 Noon at the Registered Office at Vallabh Vidyanagar 388 120.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

EIMCO ELECON (INDIA) LIMITED

Registered office : Vallabh Vidyanagar, Anand, Gujarat, Pin 388 120.

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/s of EIMCO ELECON (I) LTD.

hereby appoint Mr./Mrs. _____ of _____ in the district of _____ or failing him/her, Mr./Mrs. _____ of _____ in the district of _____ as my/our

proxy to attend and vote for me/us and on my/our behalf at the 39th Annual General Meeting of the Company to be held on Thursday, the 1st August, 2013 at 12.00 Noon at the Registered Office at Vallabh Vidyanagar 388 120, and at any adjournment thereof.

Signed this _____ day of _____ 2013

Sign :

DP. Id	
--------	--

Client Id/ Folio No.	
-------------------------	--

No. of Shares	
---------------	--

This form is to be used *in favour of/against the resolution. Unless otherwise instructed, the Proxy will act at he/she thinks fit.

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

* strike out whichever is not desired

BOOK - POST

IF UNDELIVERED PLEASE RETURN TO :

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