

Date: 27th July, 2016

To,
The Manager (Listing),
National Stock Exchange of India Limited
Mumbai

Sub: Submission of 56th Annual Report of the Company as per Regulation 34 of SEBI (LODR) Regulations, 2015 along with Form-A

Dear Sir,

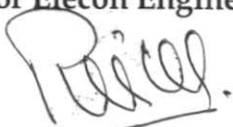
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith 56th Annual Report of Elecon Engineering Company Limited for the year 2015-16, being approved and adopted in the 56th Annual General Meeting.

Further find attached herewith pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith **Form- A** for Audit Report with unmodified opinion (Standalone & Consolidated) for the year ended on 31st March, 2016.

Kindly acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For Elecon Engineering Company Limited



Parthiv Parikh
Company Secretary



Encl: a/a.



Cranes



Rubber Industry



Marine Industry



Plastic Industry



Power Industry



Steel Industry



Sugar Industry



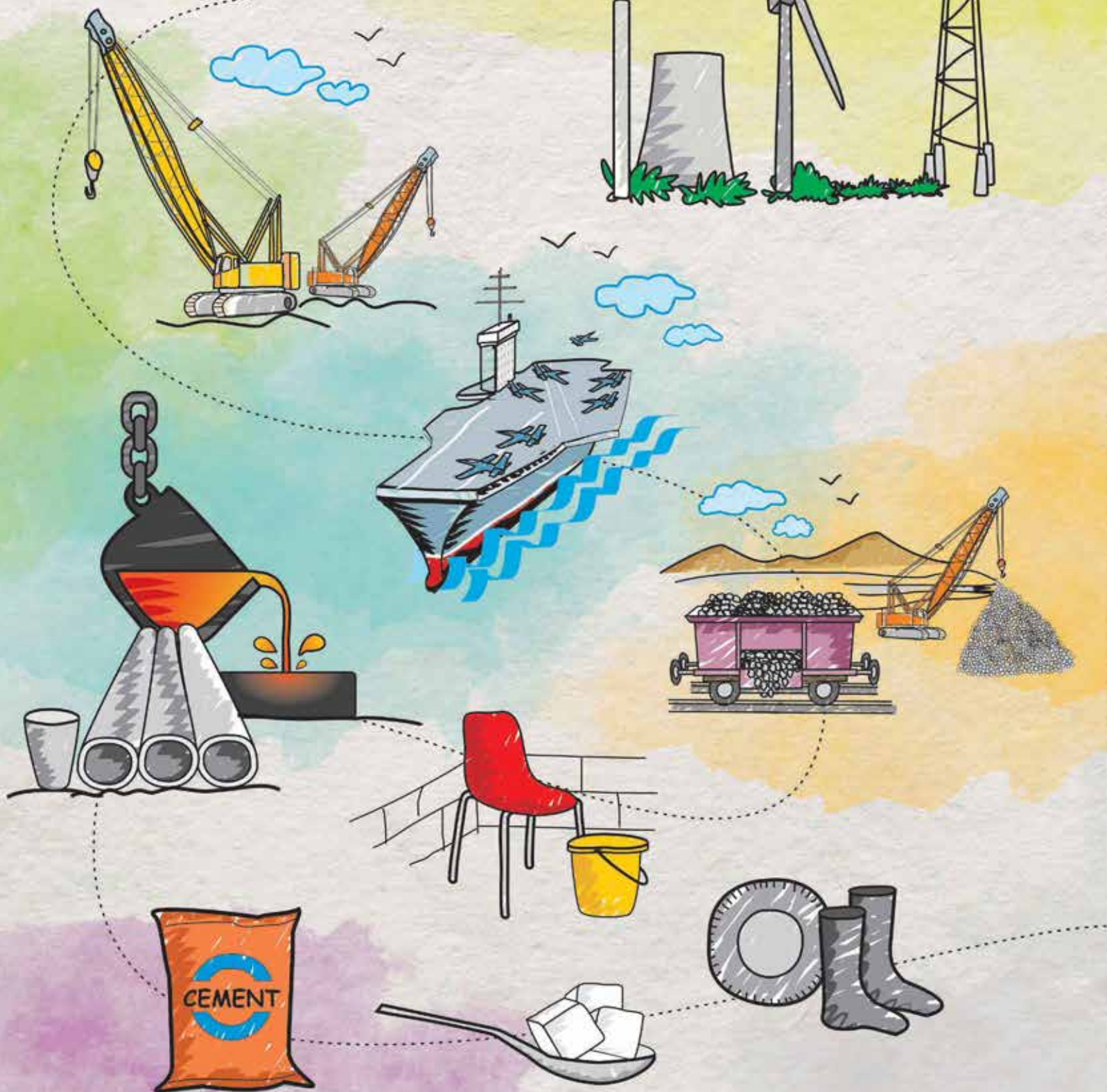
Mining



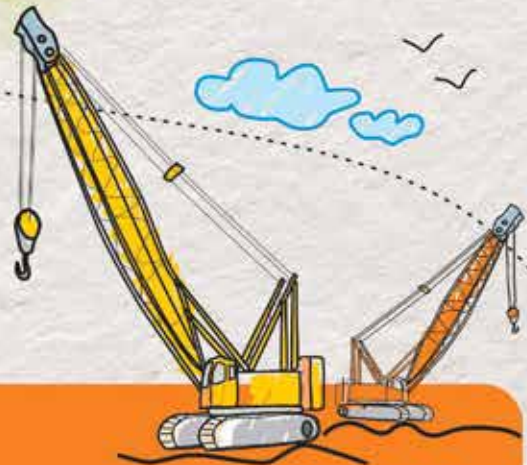
Cement Industry

Gearing industries. Gearing economies.

Gearing key sectors and industries



About Cover



Our over 60 years of experience along with our commitment to excellence and innovation has helped us become Asia's Largest manufacturer of industrial gears. We are acknowledged in the industry for having the most ultramodern facilities in the country.

It is our commitment to technology that has helped us emerge as the supplier of choice for the key sectors like fertilizer, cement, coal, power generation, mining, chemical, steel, port mechanization, minerals & metals processing, etc to name a few. We are proud of our reach in various industries and the appreciation we receive from our clients excites us to keep on improvising to provide even better customer experiences.

In line of our vision to create a global presence in power transmission by innovating and developing products to enhance value and satisfaction of our customers, we have expanded our wings and our new acquisitions are helping us in taking our vision forward.

We strive for inclusive growth and sustainable development and make concentrated efforts towards this. We live by our motto of 'Let's preserve the environment' and all our facilities consciously work towards preserving, nurturing and sustaining the nature. Some of our efforts are appreciated by United Nations Environment Program.



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Elecon at a Glance

Elecon Group was established in 1951 in Goregaon, Mumbai by Ishwarbhai B. Patel. The Company's early focus was on Engineering, Procurement and Construction projects in India. It initially manufactured conveyor systems under a trading Company.

Elecon Engineering Company Limited was incorporated as a Private Limited Company on 11th January 1960. In May 1960, the Company moved to its current location in Vallabh Vidyanagar, Gujarat. Later in June 1962, the Company was listed on the Bombay Stock Exchange.

In 1963, Company started manufacturing of Transmission Equipments. In 1976, the Company established its separate Gear Division, specialising in power transmission equipment. With vast experience of more than 5 decades, the Company has successfully consolidated its position as Asia's largest gear manufacturing Company, with a significant presence in India as well as abroad. Company was the pioneer in introducing the modular design concept, case hardened and ground gear technology in India. The Company has a proven track record in designing and manufacturing worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes.

Facing all the hurdles of Global as well as Indian slowdown in Engineering Sector, Company has always focused towards success through Guru Mantra "Innovation, Change and Adaptability to the Change".

We being a technology driven Company are always working on offering enhanced solutions to the sectors we cater to. We have been successful in launching new gears that help us gain the first mover advantage and reinforce our leadership position.

Strategic investments on infrastructure, process enhancement and process optimization through continuous improvement activities help us keep a check on the concept to commissioning processes which result in enhanced value for our clients.

Our operations are spread strategically, so that we are always near to our customers. Our teams of highly skilled and experienced professionals help in root cause analysis and then providing optimum, feasible and cost effective solutions. We are successful in cutting through national and international geographies with significant presence in India and abroad.

Business activities of Elecon are spread out in the area covering wide space of 2,59,075.15 sq. meters together with all infrastructure facilities, buildings and structures thereon.

Board of directors



Shri Prayasvin B. Patel

Chairman and Managing Director



Shri Prashant C. Amin

Executive Director



Shri Pradip M. Patel



Shri Chirayu R. Amin



Shri Jal R. Patel



Shri Hasmukhlal S. Parikh



Shri Jai S. Diwanji



Dr. Sonal V. Ambani

Chief Financial Officer

Shri Rajat Jain

Company Secretary

Shri Parthiv Parikh

Auditors

Thacker Butala Desai
Chartered Accountants
Navsari

Bankers

State Bank of India
Bank of Baroda
EXIM Bank of India
Axis Bank Limited
HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank
IndusInd Bank Limited

R & T Agent

Link Intime India Pvt. Ltd.

Registered Office

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

Five Years at a Glance

(₹ in Mn.)

PARTICULARS	2015-2016				2014-2015		2013-14		2012-13		2011-12
	Consolidated		Standalone		Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Standalone
	US \$ Mn.	₹ Mn.	US \$ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.
TURNOVER	194.0	12,853	78.3	5,188	13,289	5,032	12,929	5,012	15,268	5,952	13,317
TOTAL INCOME	199.5	13,215	84.2	5,579	13,455	5,259	13,083	5,188	15,342	6,063	13,391
EARNING BEFORE DEPRECIATION, INTEREST & TAX	22.6	1,500	15.8	1,047	1,698	1,065	1,497	1,001	2,082	1,027	2,027
DEPRECIATION & AMORTISATION EXPENSES	10.0	661	7.1	471	716	516	616	454	571	420	424
PROFIT AFTER TAX & MINORITY INTEREST	5.8	382	6.5	432	163	332	137	274	179	85	696
EQUITY DIVIDEND	1.8	120	1.8	120	120	120	112	109	109	109	167
DIVIDEND%	-	-	-	55%	-	55%	-	50%	-	50%	90%
EQUITY SHARE CAPITAL	3.3	218	3.3	218	218	218	218	218	218	218	186
RESERVE & SURPLUS	81.5	5,401	78.1	5,173	5,138	4,886	5,103	4,699	5,160	4,543	4,262
NET WORTH	84.8	5,619	81.4	5,391	5,356	5,104	5,321	4,917	5,378	4,761	4,448
GROSS FIXED ASSETS	142.7	9,454	98.3	6,515	9,270	6,325	9,500	6,346	9,427	6,325	6,912
NET FIXED ASSETS	65.1	4,316	47.2	3,125	4,743	3,356	5,500	3,805	5,827	4,186	4,469
TOTAL ASSETS	306.6	20,313	176.0	11,662	19,676	10,556	20,607	10,624	21,259	10,792	16,794
NUMBER OF EMPLOYEES(Nos.)				694		638		579		697	1,290
KEY INDICATORS	US \$		US \$								
BASIC EARNINGS PER SHARE(₹)	0.05	3.51	0.06	3.96	1.50	3.05	1.26	2.52	1.65	0.78	7.49
DEBT EQUITY RATIO (TOTAL DEBT:EQUITY)	-	1.10	-	0.60	1.03	0.49	1.19	0.53	1.30	0.54	1.21
EBIDTA/TURNOVER %	-	11.67	-	20.17	12.77	21.16	11.58	19.97	13.64	17.26	15.22
NET PROFIT MARGIN%	-	2.97	-	8.32	1.23	6.60	1.06	5.47	1.17	1.43	5.23
RETURN ON NET WORTH%	-	6.80	-	8.00	3.05	6.50	2.58	5.58	3.33	1.79	15.65
RETURN ON CAPITAL EMPLOYED%	-	3.30	-	5.02	1.52	4.30	1.19	3.60	1.50	1.17	7.23

Exchange Rate: 1 US\$ = ₹ 66.25 (as on 31-03-2016).

Figures are rounded off to nearest US \$ Mn./₹ in Mn.

Performance Indicators

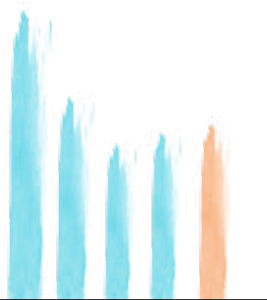
Net Sales

₹ in Mn.

(3.11%)

increase from 2015

₹ 5,188	2016
₹ 5,032	2015
₹ 5,012	2014
₹ 5,952	2013*
₹ 13,317	2012



2012 - 2016

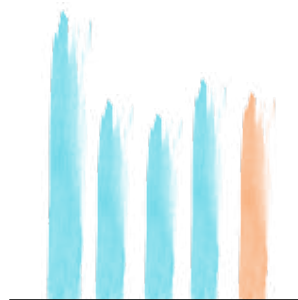
EBIDTA

₹ in Mn.

(1.72%)

decrease from 2015

₹ 1,047	2016
₹ 1,065	2015
₹ 1,001	2014
₹ 1,027	2013*
₹ 2,027	2012

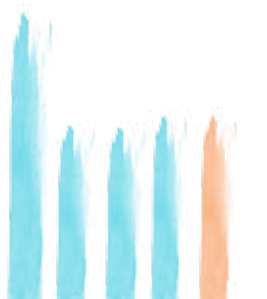


2012 - 2016

Dividend

in %

55%	2016
55%	2015
50%	2014
50%	2013
90%	2012



2012 - 2016

*Decrease because of Scheme of Arrangement.



Management Insight



Fiscal 2016 was a rewarding year for our gear business with a record order booking during the fiscal. We closed financial year on a robust order book that would ensure business momentum for the coming fiscal. Going forward, we will strive to ensure that we continue excelling in our technology and execution such that our reputation continues to enhance in the market place. From a group standpoint, the merger of the material handling business back into the parent would deliver economics of scale and financial benefits that would benefit both the Companies and the Shareholders. I would reiterate that Elecon Engineering is committed to our objective of maximizing shareholder returns over a long period.

Prayasvin Patel - Chairman & Managing Director



We had a great year with business growing in core defence sector. However, demand in key sectors such as steel sector and cement sector continued to remain sluggish. While cement industry is showing some positive improvements we would think that the steel industry would still take a little bit longer time before we start seeing some capital investment in that industry. We remain confident on our business outlook from these sectors in the long run. From an operational perspective, we continue to excel in upgrading technology and we are confident that with the uptick in economy, a favourable budgetary policy put in place by the government, and the integration of synergies of material handling and gear business would make us strong to address pipeline of opportunities for the coming years.

Prashant Amin - Executive Director



We have been in the forefront in technical development and enhancements. Not only do we have many firsts to our credit but also enjoy the first mover advantage. Our long standing commitment to technology is getting appreciated and rewarded by the markets which helps us in keeping on stronghold as the supplier of choice for major core sectors.

With the Indian economy slowly opening up and the reforms bringing in a lot of investments in India we are confident of a positive 2016-2017.

Dinesh Patel - Group Technical Director



Fiscal 2016 has been a year of steady improvement for our gear business. We have worked on our operating efficiencies and as a result demonstrated an uptick in the margins. The engineering sector was affected due to the economic downturn. Despite this, we bagged some high profile orders and closed this fiscal with a positive trend both in the orders booked and execution. This demonstrates the outlook we have for the coming fiscal. We continue our focus on disciplined financial practices. We believe we are on course to deleverage some part of the balance sheet. The strategic merger of our gear business with the material handling business announced recently should provide us with advantages including higher levels of efficiencies, gain in productivity and significant cost advantages. We believe the efforts underway by the Government to kick start the economy and more importantly the engineering sector would benefit Elecon Engineering in the long run.

Rajat Jain - Chief Financial Officer

Corporate Social Responsibility



Elecon has been contributing to the society in a positive way since its inception. We have undertaken multiple tasks way before CSR was mandated by the government.

Elecon undertakes CSR activities primarily through its social services wing 'EI-Care' and 'ELF' under the umbrella of M/s. B. I. Patel Trust, spearheaded by Mr. Prayasvin Patel – Group Chairman and Mrs. Taruna Prayasvin Patel – C.E.O., Emtici Engineering Group of Companies recognized for their efforts by 'Charotar Ratna' and 'Achiever of Excellence' awards respectively.

Our activities consist of our regular causes that we support and also stand alone cases that come to our attention.

Some of the activities carried out by us include:

EDUCATION:

Elecon believes in the power of education to change the world for the better. Elecon facilitates economically weaker but meritorious students by giving out complete scholarships which includes the expenses towards their



boarding and lodging. 15 students from each academic year are awarded this scholarship, so on a rolling basis now we are giving this scholarship to 60 students. Elecon donated generously and is still contributing to Madhuben and Bhanubhai Patel Women Institute of Engineering for Studies and Research in Computer and Communication Technology (MBICT), which is the first women engineering college of Gujarat. We have donated computers to a

municipal school at Gana village (village that we have adopted). We have been supporting the I.B. Patel English School and we have been making contributions to Anoopam Mission – An NGO that works for the upliftment and inclusion of differently abled children.

HEALTHCARE:

Elecon believes that you can do anything if you are supported with good health. Having realized that, Elecon generously donated to the Bhanubhai and Madhuben Patel Cardiac Center – a state of the art cardiac center for all kinds of pediatric and adult cardiac diseases. It is equipped with all modern facilities and infrastructure needed for quality cardiac care, and caters to patients transcending national boundaries. Blood donation is one of the most significant contributions that a person can make towards the society. Elecon, in conjunction with local blood banks organizes blood donation camps. In one such camp we collected record number of units. Elecon also facilitates health check up camps, eye check up camps and health awareness camps in and around the area that we operate. We provide free eye gear for people of these villages, which require immediate attention but cannot afford. Elecon is also educating the people on the importance of organ donation and organizes seminars for this cause with noted doctors.

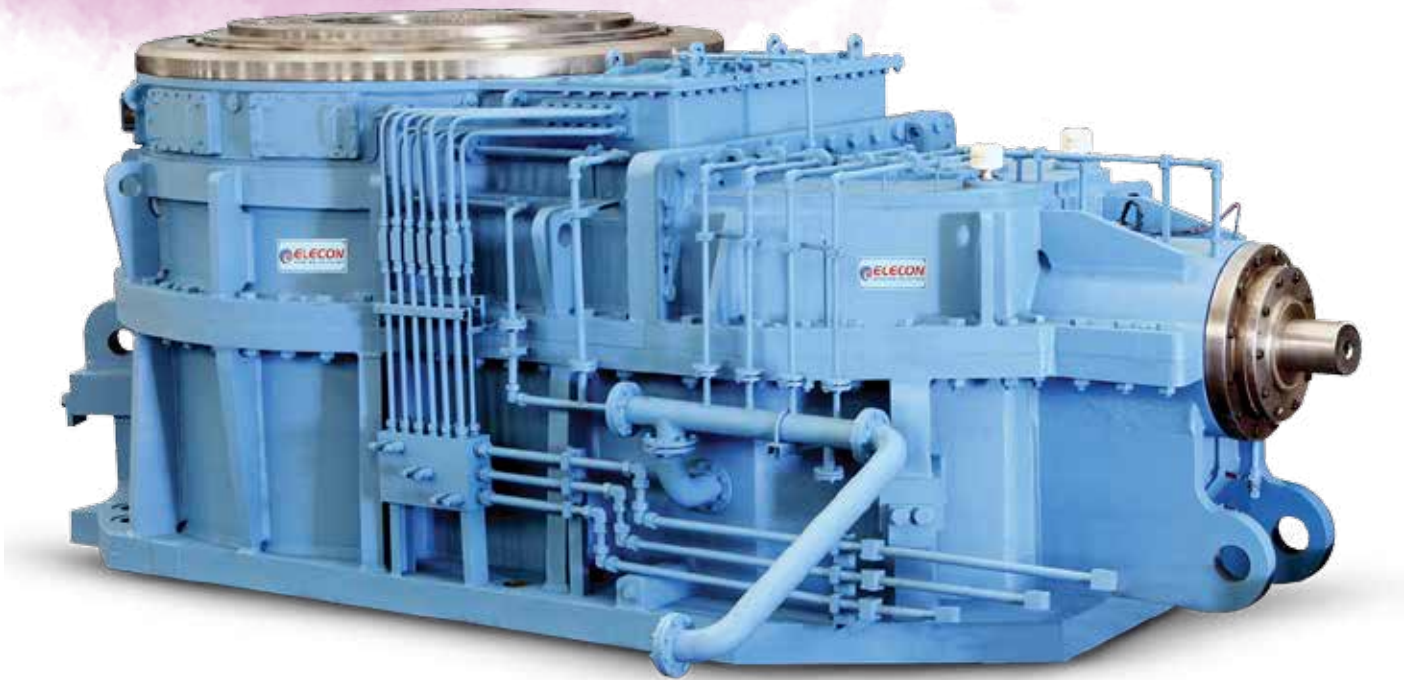
ENVIRONMENT:

Being the pioneers in offering sophisticated solutions for various industries, Elecon realizes that it is important that we take care of the environment also. Our product offerings are such that they cause least possible negative impact on the environment. We nurture the environment and support such causes as well. Elecon donated and helps maintain three gardens in the vicinity of Vallabh Vidyanagar. Also all our facilities have lush green gardens and have a good green cover. Elecon sponsored 'Greenathon' an initiative of Voluntary Nature Conservancy (VNC) to create environmental awareness. We supported the call of the Honorable Prime Minister of India of 'Swachh Bharat Abhiyaan' and organized a local drive in and around our facilities. Our inter-company initiatives have been appreciated by United Nations Environment Program (UNEP)

The contributions of Elecon towards the society are not limited to the causes mentioned here but our dedicated team tries to study and understand the needs of the society and proposes areas where we can collaborate with them effectively for a better future.



Strength & Growth Drivers



Elecon's largest Vertical Roller Mill Drive Gearbox for Raw Mill of Cement Plant

ELECON has pioneered in obtaining ISO 9001:2008 version in 2010 in the industrial gear manufacturing industry in India. Its continuous and humble contribution to the industry has made ELECON an ideal choice of gears for various sector viz. Cement, Sugar, Power, Steel, Coal, Ports, etc.

Manufacturing Strength

At Elecon we believe in setting industry benchmarks through continuous improvement.

We have a state of the art gear manufacturing plant. This ultra modern plant helps us in ensuring world class quality and ensuring timely delivery backed by shortest possible lead time.

Our new facility Bhanubhai Memorial is helping us improve the total throughput time and also in bringing down costs. Our recently launched EON/EOS series of catalogue gears are amongst the most cost effective in the market. In the same line we have updated our assembly shop to have more outputs.

A robust impetus has been added due to the modernizing of our existing capacity to augment increased demand. Expansion of our range of products in new areas like manufacturing gearboxes for sugar mill upto 7.5 Mi. Nm torque, VRM gearboxes with weight upto

110 Ton has also taken place. Elecon is poised to enjoy first mover advantage and with it sustained growth, higher margins and revenues.

Growth Drivers

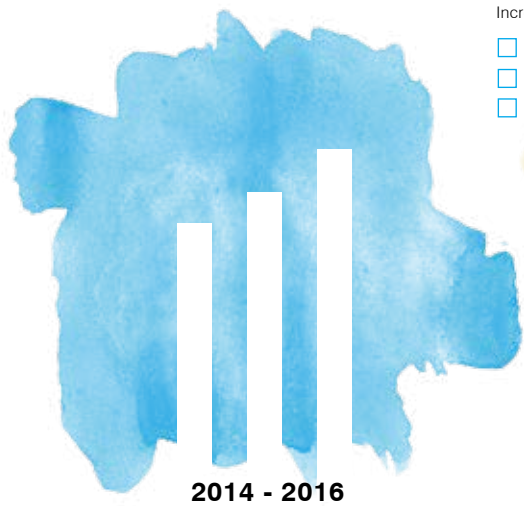
The recession posed some tough questions for Elecon. However, we have succeeded in maintaining our operational momentum and are geared up for continuing this trend by maintaining competitive manpower cost and high level of technology.

Our years of experience gives us specialized expertise and knowledge in the manufacturing of Transmission Equipments. The Gear Division over the past years has witnessed growth driven by industrial Capex as our gears have applications in core and key sectors like Power, Steel, Cement, Sugar, Defence, etc.

We are in the Sugar sector by supplying Small & Large Planetary Gear Boxes. We have already received large orders for supply of marine gear boxes and we are looking for more opportunities in near future.

New reforms are on the verge along with steps to counter recession, which in turn will provide more thrust to stability in the price and production of essential commodities resulting into steady growth momentum for the Indian economy.

Gear
Net Sales
₹ in Mn.



3.11%

Increase from 2015

₹ 5,188	2016
₹ 5,032	2015
₹ 5,012	2014



Net Sales
Increased By
3.11 %

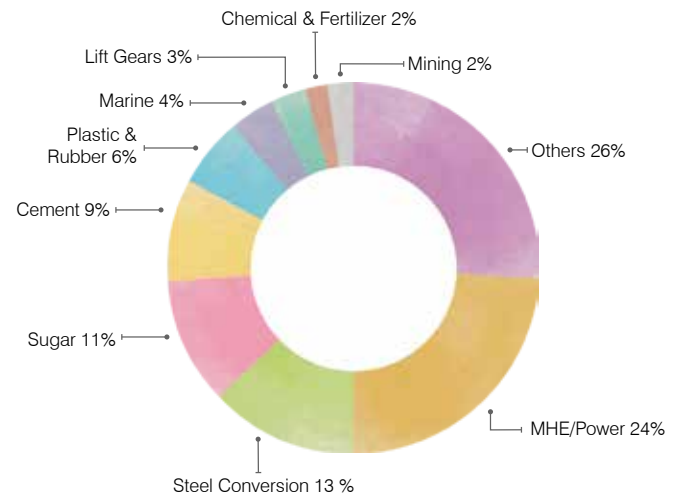
₹ 5,188 MN

In 2015-16
From

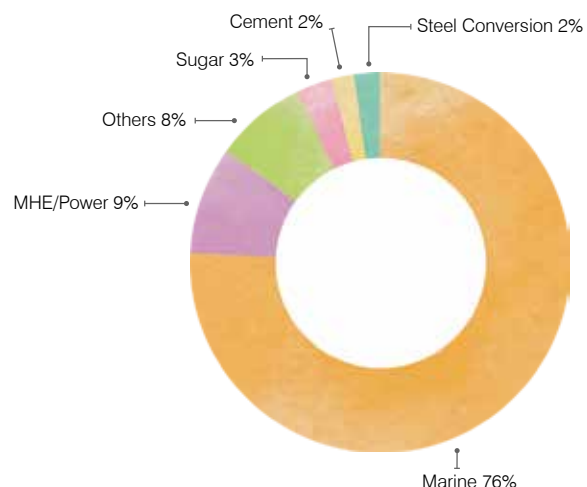
₹ 5,032 MN

In 2014-15

Sales Industry wise



Order in hand Industry wise



Board's Report



► Elecon's longest & biggest gear box for Crane Application - 300 ton Ladle Crane Main Hoist Drive

Dear Members,

Your Directors have pleasure in presenting this 56th Annual Report together with the Audited Statements of Accounts for the year ended on March 31, 2016.

You being our valued partners in the Company, we share our vision of growth with you. Our guiding principles are a blend of realism and optimism which has been and will be the guiding force of all our future endeavors.

PERFORMANCE OF THE COMPANY

Standalone Financial Performance

For the year ended on March 31, 2016, the Company has achieved a Turnover of ₹51,884.39 Lacs as against ₹50,319.24 Lacs in the previous year, representing a marginal increase in Turnover by 3.11%.

For the year ended on March 31, 2016, the Company has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) of ₹10,467.42 Lacs as against the EBIDTA of ₹10,650.35 Lacs during the previous year.

The Net Profit of the Company for the year 2015-16 was ₹4315.20 Lacs compared to ₹3318.58 Lacs during the previous year, representing an increase of 30.03% over last year.

The Company holds total unexecuted orders about ₹72,202.87 Lacs as on March 31, 2016. This will help us to continue to have sustainable growth in coming years.

Consolidated Operations

The Audited Consolidated Financial Statements of your Company as on March 31, 2016, which forms part of the annual report, have been prepared pursuant to the provisions of SEBI (LODR) Regulations, 2015 and also as per the applicable Accounting Standards on Consolidated Financial Statements (AS 21, AS 23 & AS 27) issued by the Institute of Chartered Accountants of India.

Your Company's total consolidated turnover for the year ended on March 31, 2016 was ₹1,28,534.56 Lacs as against ₹1,32,889.05 Lacs in the previous year.

For the year ended on March 31, 2016, the Company has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) of ₹15,000.91 Lacs as against the EBIDTA of ₹16,976.04 Lacs during the previous year.

The Consolidated Net Profit of the Company for the year 2015-16 after minority interest and share of profit/loss of associates was ₹3821.67 compared to ₹1634.43 Lacs during the previous year, representing an increase of 133.82%.

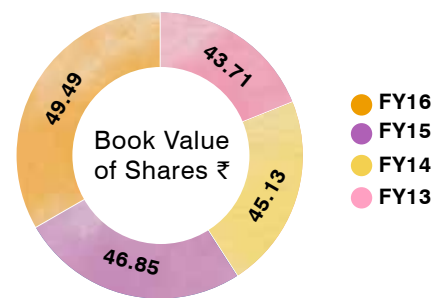
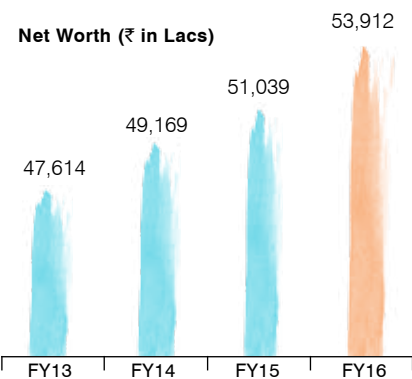
During the year under review, your Company's consolidated net worth is ₹56,190.87 Lacs as against ₹53,556.81 Lacs for previous year.

Dividend

Your Directors have recommended dividend of 55% i.e ₹1.10/- per share on 10,89,35,843 equity shares of

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	31/03/16	31/03/15	31/03/16	31/03/15
Turnover	51884.39	50319.24	128534.56	132889.05
Profit Before Tax, Finance cost, Depreciation & Amortization and Adjustment for previous year (EBIDTA)	10467.42	10650.35	15000.91	16976.04
Add: Other Income	3903.05	2267.74	3615.36	1661.74
EBIDTA (Including other income)	14370.47	12918.09	18616.27	18637.78
Less : Finance Cost	3537.73	2995.03	7472.85	8087.00
Depreciation & Amortization	4710.19	5158.37	6614.42	7157.87
Profit Before Tax	6122.55	4764.69	4529.00	3392.91
Less/(Add) : Exceptional Items	--	--	--	--
Less: Provision for Tax	2242.11	2076.27	2588.99	2416.20
Deferred Tax	(425.67)	(630.16)	(1284.42)	(741.39)
Mat Credit Entitlement	--	--	--	--
Short/(Excess) Prov. of earlier years	(9.09)	--	(9.61)	3.87
Profit After Tax	4315.20	3318.58	3234.04	1714.23
Add:				
Minority Interest	--	--	587.63	(100.19)
Share of Profit of Associates	--	--	--	20.39
Previous Year Balance Brought Forward	3349.35	2979.80	(706.88)	607.72
PROFIT AVAILABLE FOR APPROPRIATION	7664.55	6298.38	3114.79	2242.15
APPROPRIATIONS:				
Proposed Dividend	1198.29	1198.29	1198.29	1198.29
Income Tax on Dividend	243.94	250.74	243.94	250.74
Transfer to General Reserve	1500.00	1500.00	1716.06	1500.00
Balance Carried Forward	4722.32	3349.35	(43.51)	(706.88)



₹2/- each for the year ended on March 31, 2016 (previous year ₹1.10/- per share on 10,89,35,843 equity shares of ₹2/- each).

The said dividend, if approved by the shareholders, would involve a cash outflow of ₹1,442.23 Lacs, including dividend distribution tax of ₹243.94 Lacs against ₹1,449.03 Lacs including dividend distribution tax of ₹250.74 Lacs in the previous year.

During the year, the unclaimed dividend pertaining to the financial year 2007-08 had been transferred to the Investor Education & Protection Fund.

Transfer to Reserves

The Company proposes to transfer ₹1,500 Lacs to the General Reserve out of the amount available for appropriation.

Amalgamation of Elecon EPC Projects Limited with Elecon Engineering Company Limited

The Board at its meeting held on April 27, 2016 unanimously approved the scheme of Amalgamation ("Scheme") of Elecon EPC Projects Limited with the Company in accordance with the provisions of Section 391-394 of the Companies Act, 1956 and/or any corresponding provisions of Companies Act, 2013 subject to necessary statutory approvals.

Accordingly, upon Scheme becoming effective, the Company will issue to the shareholders of Elecon EPC Projects Limited 37 (Thirty Seven) equity shares of face value of ₹2/- each fully paid-up of the Company for every 2 (Two) equity shares of face value of ₹10/-

each fully paid-up held by them in Elecon EPC Projects Limited. The appointed date of the Scheme is March 30, 2015.

Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹2,178.72 Lacs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. Directors' shareholding in the Company, as on March 31, 2016, is given in Extract of Annual Return.

Finance

Cash and Cash Equivalent as at March 31, 2016 was ₹1056.36 Lacs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Fixed Deposits

The Company has not accepted any fixed deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits as on March 31, 2016.

Particulars of Loans, Guarantees or Investments

The Details of Loans given, Guarantees and Securities provided and Investments made by the Company in compliance with the provisions of Section 186 of the

Companies Act, 2013 are given in the notes to the Financial Statements.

Directors & Key Managerial Personnel (KMPs)

Appointment & Resignation of Directors

Shri Rakesh Makhija, who was appointed as an Additional Director of the Company w.e.f. August 14, 2015 in the category of Non-Executive Independent Director, resigned from the Directorship of the Company w.e.f. November 27, 2015 on account of his preoccupations.

The Board of Directors has placed on record its appreciation for the valuable services provided by him during his short association with the Company.

Director Retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Pradip M. Patel, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The Board recommends his appointment for your approval.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Meetings

During the year four Board Meetings, four Audit Committee Meetings, one Corporate Social Responsibility Committee Meeting, two Nomination and Remuneration Committee Meetings, one Stakeholders Relationship Committee Meeting and one Separate Meeting of Independent Directors were held. The details of which are given in the Corporate Governance Report. The intervening gaps between the Board meetings were within the period prescribed under the Companies Act, 2013.

Composition of Various Committees

Details of various committees constituted by the Board as per the provisions of erstwhile Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015 and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

Independent Directors

The Independent Directors met on May 1, 2015 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively

and reasonably perform their duties.

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

Familiarization Programme for Independent Directors

Further it is informed that the familiarization programme for Independent Directors of the Company was held on October 28, 2015. The detail of such programme is also updated on the Company's website <http://elecon.com/index.php/investor-relations>.

Remuneration Policy

The policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel is set out in "Annexure A" which forms part of the Board Report.

Disclosures by Directors

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under Companies Act, 2013.

Change in KMP

During the year under review, Shri Paresh Shukla resigned as Company Secretary and Compliance Officer of the Company w.e.f. August 31, 2015.

Shri Parthiv Parikh has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. January 29, 2016.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors, hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- (c) the Directors have taken proper and sufficient care for 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;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors have laid down internal financial controls to be followed by the Company and that

such internal financial controls are adequate and were operating effectively;

- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee. No material contract or arrangement with related parties were entered into during the year under review. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://elecon.com/wp-content/uploads/2016/06/Policy-on-RPT.pdf>. None of the Directors nor the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

Auditors

Statutory Auditors

M/s. Thacker Butala Desai, Chartered Accountants, Statutory Auditors of the Company had been appointed as Statutory Auditors of the Company for two (2) years at the 55th Annual General Meeting of the Company till the conclusion of 57th Annual General Meeting in the year 2017.

As per the provisions of Section 139 of the Companies Act, 2013 the Company has placed the matter relating to their appointment for ratification by members at the Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any, the Board, on the recommendation of the Audit Committee and subject to the approval of members, appointed M/s. B S R & Co. LLP, Chartered Accountants as Joint Statutory Auditors of the Company for a period of five (5) years i.e. from the conclusion of ensuing Annual General Meeting of the Company for the financial year 2015-16 until the conclusion of Annual General Meeting for the financial year 2020-21. Accordingly, a Resolution seeking approval for appointment M/s. B S R & Co. LLP, Chartered Accountants as Joint Statutory Auditors of the Company is included in the Notice convening the Annual General Meeting.

M/s. Thacker Butala Desai, Chartered Accountants & M/s. B S R & Co. LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Statutory Auditors/Joint Statutory Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by

the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the Cost Audit records maintained by the Company in respect of its manufacturing activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Y. S. Thakar & Co., Cost Auditor to audit the cost accounts of the Company for the year ended on March 31, 2017 on a remuneration of ₹52,500/- p.a. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Y. S. Thakar & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Ashwin Shah, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report on the Secretarial Audit carried out by him during the year 2015-16 is annexed herewith as "Annexure B".

Subsidiary, Joint Venture & Associate Companies

As on March 31, 2016, the Company has 15 Direct & Indirect Subsidiary Companies.

During the year under review, no new Company has been incorporated / acquired as Subsidiary, Joint Ventures or Associate Companies and no Subsidiary Company ceased to be a Subsidiary Company of the Company.

During the year, Elecon Peripherals Limited ceased to be an Associate of the Company w.e.f. October 28, 2015.

Pursuant to the provisions of Sections 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and SEBI (LODR) Regulations, 2015, your Company had prepared Consolidated Financial Statements of the Company and its Subsidiaries and a separate statement containing salient features of financial statement of Subsidiaries/Associates/Joint Ventures forms part of the Annual Report.

The Annual Financial Statements and related information of the Subsidiary Companies shall be made available for inspection by the shareholders of the holding and Subsidiary Companies on all working days during business hours for a period of 21 days before the date of the Annual General Meeting and the same will also be placed on the website of your Company. Any member who is interested in obtaining the Audited Financial Statements of the Subsidiary Companies may obtain the same by writing to the Company Secretary of the Company.

Financial Performance – Subsidiary Companies Elecon Transmission International Ltd. (Mauritius – consolidation)

During the year under review, turnover of Benzlers Radicon Group has dropped by 6% from GBP 32.5 million (2014-15) to 30.6 million (2015-16). However there is increase in EBITDA from 1.55% (2014-15) to 7.20% (2015-16). Finance Cost and SG&A Cost has reduced by 44% and 29% respectively which supported to convert loss of GBP 2.59 million (2014-15) to Profit Before Tax of GBP 0.11 million (2015-16).

Benzlers group (Nordic and Europe)

Economic growth in Sweden is strong, while growth in the other Nordic countries is much weaker and their uncertain economic prospects coupled with currency fluctuations are hampering business investment.

Sales in SEK are almost the same as last year. However, due to an 8% currency depreciation against GBP, sales have dropped from GBP 14.1 million to GBP 12.9 million. The currency rate GBP/SEK moved from SEK 11.79 in 2015 to SEK 12.76 in 2016.

EBITDA on the other hand grew from GBP -0.25 million (-1.8%) to GBP 0.89 million (+6.9%) due to cost savings and more efficient processes.

Benzler Groups sales performance during the financial year - despite very strong competition - is in line with business strategy of changing from a product orientated company to a sales and service company. We have put in place resources in order to meet market demands and expectations in product availability, digital communications and marketing activities.

The marketing of Elecon products into the European Union has been well received and a German company has placed a large order. We are also working closely with another German company on a large project work.

Benzler group recently received our largest single order for gears for wind energy from a Nordic customer and the customer has informed us, that some of these products will be exported to the Far East and Mediterranean area.

Radicon Transmission UK Ltd.

The forthcoming referendum on Thursday, June 23, 2016 on the UK's membership of the EU has contributed to an uncertain outlook, and we expect business investment growth to be slow during the first half of this year. The referendum has affected economic confidence in UK as we have seen firms rein in investment intentions, even though their financial position remains strong. We expect the growth momentum to pick up in the second half of this year, after the EU referendum. The contraction of heavy industries continues in the UK. Coal production has all but stopped and other industries such as steel have come under increasing pressures from China. The crowded market place in UK, in conjunction with few large project opportunities poses challenges. The competition in market place is very fierce but in spite of this we are committed to grow our business.

In Africa there is potential to grow Radicon business in several African countries and all effort is being made to achieve our goal in spite of currency devaluations, low mining activities.

In UK, sales dropped by 7.2% from GBP 15.1 million in FY 15, to GBP 14.0 million in FY 16. In FY 15 we had received two substantial project orders worth in excess of GBP 2 million and our sales in FY 16 recorded the second highest revenue figure since the Elecon acquisition. We are focused to grow our sales revenue and are recruiting new key account managers and have increased our sales and marketing budget to achieve our objective.

The highlight in FY 16 was that we managed to increase EBITDA by 30% from GBP 1 million in FY 15 to GBP 1.3 million in FY 16 despite the drop in sales revenue.

We are continuing to integrate the Benzler Radicon group into the Elecon group, whilst taking Elecon resources, contacts, and products to increase our market exposure and product offerings to customers.

The Benzler Radicon management team is committed to increase customer service and support as this ultimately makes the Benzler Radicon brand stronger in the market place and gives us an advantage to sell our products.

We have put in place additional cost reduction policies, which are showing positive results. In FY 17, we intent to put in place our back-office support team in Vallabh Vidyanagar, Gujarat, India to assist the Benzler Radicon group companies to grow their business.

Elecon USA Transmission Ltd., (Radicon USA) – a Radicon UK subsidiary

The Trading conditions in USA remain challenging with full year sales decreasing by 6.9 % to USD 9.5 million compared with USD 10.2 million in 2014-15, however focus on margin improvement and development of a broader customer base returned an increase in margin from 18.2% to 23.7%.

The customer base growth has been achieved through the expansion of our sales and marketing team combined with the penetration of Radicon in to further national distribution partners, which was completed toward the end of the fiscal period. It is anticipated that this broader reach will continue to expand with additional customer accounts being retained providing a more stable platform for future growth.

EBITDA reduced to USD 0.3 million from USD 0.7 million as a consequence of the increase in selling costs however we foresee that the timing of this investment will benefit the sales and profitability in the new financial year and beyond.

Elecon Singapore Pte. Ltd.

Elecon Singapore Pte. Ltd., Singapore is a Wholly-Owned Subsidiary of the Company. It is a marketing arm of your Company and engages in the business of selling and supply of your Company's products in Singapore, Indonesia, Malaysia, Laos, Vietnam, Philippines, Taiwan, South Korea, North Korea,

Cambodia, Russia, China, Japan, Myanmar, Thailand, Mongolia and other far East countries.

Total Revenue of Elecon Singapore Pte. Ltd. has dropped by 11.30% from SGD 2.45 million (2014-15) to SGD 2.17 million (2015-16) and an EBITDA has also decreased by 88.45% from SGD 0.40 million (2014-15) to 0.05 million (2015-16).

Elecon Middle East FZE, Dubai (Formerly known as Elecon Middle East FZCo)

Elecon Middle East FZE, Dubai is a Wholly-Owned Subsidiary of the Company. During the year under review, the nomenclature of Elecon Middle East FZCo was changed to Elecon Middle East FZE. It is a marketing arm of your Company and engages in the business of selling and supply of your Company's products in U.A.E. (Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah), Saudi Arabia, Oman, Yemen, Jordan, Kuwait, Iran, Iraq, Syria, Turkey, Bahrain, Qatar, Afghanistan, Palestine, Algeria, Comoros, Djibouti, Lebanon and other Middle East Countries.

Elecon Middle East FZCo, has achieved a total revenue growth of 19.18%, from AED 11.19 million (2014-15) to AED 13.33 million (2015-16) and an EBITDA growth of 14.84% from 1.93 million (2014-15) to 2.21 million (2015-16).

Elecon EPC Projects Ltd. (EEPL)

During the year under review, turnover of EEPL was ₹47,954.35 Lacs against ₹51,742.65 Lacs during previous year.

(₹ In Lacs)

PARTICULARS	31/03/2016	31/03/2015
Profit before Depreciation, Interest & provision for Taxation (EBIDTA)	1,313.63	4095.44
Add: Other Income	166.25	271.59
EBIDTA (Including other income)	1,479.88	4367.03
Less: Finance Cost	2,701.83	2868.04
Depreciation	1,054.46	1170.80
Profit Before Tax	(2,276.41)	328.19
Add/Less: Provision for Taxation	-	146.00
Deferred Tax	(788.41)	(71.42)
Short/(Excess) prov. of Tax of earlier years	(0.52)	--
Profit After Tax	(1,487.48)	253.61
APPROPRIATION :		
Transfer to General Reserve	-	--
Proposed Dividend - Equity Shares	-	--
Tax on distributed dividend	-	--
Previous year's balance brought forward	1,894.33	1640.72
Balance carried forward to balance sheet	406.85	1894.33

Financial Performance – Joint Venture

Eimco Elecon (India) Limited (EEIL)

Eimco Elecon (India) Limited (EEIL), a listed Company, was promoted by Elecon Engineering Company Limited and Envirotech Corporation, USA in 1974. In 1989, Tamrock OY, a Finnish Corporate Giant acquired stake held by Envirotech Corporation, USA in EEIL. In 1997, Sandvik AB, a Swedish Company, has acquired

major stake in Tamrock OY, thereby taken its controlling interest. At present, Sandvik Group holds 25.10% shares in EEIL.

EEIL is engaged in the business of manufacturing of a very wide range of underground mining machinery viz. Air Powered Rocker Shovels, Electro Hydraulic Side Dump Loaders and Electro-hydraulic and Air powered Load Haul Dumpers used as loading machines in both the underground Coal mines and Metalliferous mines. EEIL is the market leader in the underground mining machinery business. It enjoys market share of more than 80% which is a very big achievement for any Company.

During the year ended on March 31, 2016, Turnover of EEIL is reported at ₹13,957.93 Lacs as against ₹19,640.71 Lacs in the previous year.

For the year ended on March 31, 2016, EEIL Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) including other income has also gone down to ₹2646.33 Lacs as against the EBIDTA of ₹3,485.65 Lacs during the previous year.

Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism.

The Vigil Mechanism/Whistle Blower Policy is available on Company's website at <http://elecon.com/wp-content/uploads/2014/09/WBP-EECL.pdf>.

Corporate Governance

As per Chapter IV of SEBI (LODR) Regulations, 2015, separate reports on Corporate Governance, Management Discussion & Analysis and a certificate from the Company's Auditors form part of this Report.

Your Company is committed to maintain the highest standards of Corporate Governance, reinforcing the valuable relationship between the Company and its Stakeholders.

Corporate Social Responsibility (CSR) Initiatives

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder your Company has adopted a policy for CSR and the Board has constituted a Committee for implementing the CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report.

The Company has implemented various CSR projects directly and / or through implementing agency and the projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **"Annexure C"**, forming part of this report.

Significant and Material Orders passed by the Regulators or Courts

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

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee, Board and /or Central Government under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

Risk Management

Although it is not mandatory for the Company, the Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Board at its meeting held on January 29, 2016 reconstituted Risk Management Committee, particulars of which are mentioned in the Corporate Governance Report. The said committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure D"**.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as **"Annexure E"**, forming part of this Report.

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Complaints Committee (ICC) has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassment at the work place. During the year under review, there were no complaints pertaining to sexual harassment.

The policy on Sexual Harassment at Workplace is placed on the Company's website.

Extract of Annual Return

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

Insurance

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

Industrial Relations/Personnel

Your Company is committed to upholding its excellent reputation in the field of Industrial relations. Through continuous efforts, the Company invests and improvises development programmes for its employees.

Acknowledgement

Your Directors are highly grateful for the unstinted guidance, support and assistance received from the Government, Financial Institutions and Banks. Your Directors are thankful to all valuable Stakeholders of the Company viz. shareholders, customers, dealers, vendors, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of Board of Directors



Prayasvin B. Patel
Chairman & Managing Director
DIN: 00037394

Place: Vallabh Vidyanagar

Date: April 27, 2016

Management Discussion & Analysis



▲ Inside view of Bhanubhai Memorial Centre of Excellence (BMCE) - Gear manufacturing plant

Global Economy and India

The year 2015 was a quiet year for global Economy. As per the estimates of the leading global agencies, the world economy is likely to have grown in the range of 2.3%-2.5% as compared to the forecasts of 3% a year ago. Despite the lower commodity prices, the growth was muted on account of demand deficiency and excess global supply. The growth rates have also been disappointing for emerging markets that not only witnessed demand

issues, but also went through currency depreciation (against USD) and capital flight from them to

developed markets. Also, a faster-than-expected slowdown in imports and exports reflected weakness in manufacturing activity. These developments had spill overs to almost every nation through trade channels, resulting in diminishing confidence and increasing volatility in financial markets. The Manufacturing activity and trade stayed weak globally and the demand also remained subdued.

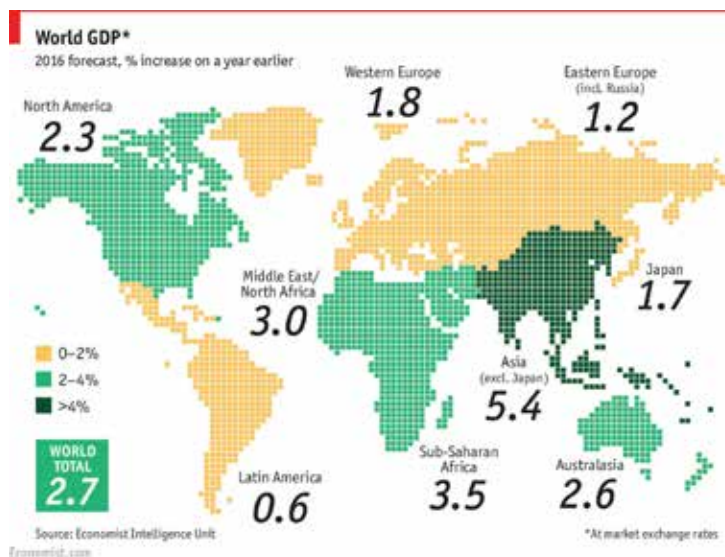


Figure 1- World Economy Forecast by The Economist

As per IMF, the growth in emerging market and

developing economies is projected to increase from 4% in 2015 to 4.3% and 4.7% in 2016 and 2017, respectively. Growth in many countries is expected to slow down in 2016 and 2017, primarily reflecting weaker investment growth as the economies continues to rebalance.

From an Indian Perspective, India's growth slowdown appears to have bottomed. India is projected to continue growing at a robust pace. The government has front loaded capital expenditure to help drive economic activity with a focus on infrastructure-based-sectors which tend to have a multiplier effect on the economy.

The growth should continue to steadily improve in 2016 and is likely to be led by public sector capex and urban consumption. The improvement in India's economic fundamentals coupled with strong government reforms, RBI's inflation focus supported by benign global commodity prices should take India to its target growth. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is ₹106.4 trillion (USD 1.596 trillion), as against ₹99.21 trillion (USD 1.488 trillion) in 2013-14, registering a growth rate of 7.3%.

The Engineering sector and Global Gears scenario

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. The capital goods & engineering turnover in India is expected to reach USD 125.4 billion by FY 17. Comparative advantage in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. Engineering exports from India stood at USD 70.6 billion in FY 15, registering a Compound Annual Growth Rate (CAGR) of 11.1% over FY 08-15.

Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotives, cement, ports and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of Special Economic Zones (SEZs)

across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector. With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route, and initiatives like 'Make in India', major international players have entered the Indian engineering sector due to significant growth opportunities available.

In the gears segment, the global demand for gears and gear assemblies is forecasted to reach USD 217.0 billion by 2018. Market gains will be driven by ongoing economic growth, increased manufacturing output and a shift in the product mix towards more energy efficiency. Strong demand in relatively small but fast-growing markets like wind and solar energy will also contribute to gear sales advances. Demand in developing parts of Asia, Eastern Europe, the Africa/ Mideast region and Central and South America will outpace product sales in the United States, Western Europe and Japan. Demand for gears used in all other applications; which include everything from aircraft and home appliances to solar energy systems. Advances will be driven by growth in global economic activity and higher income levels, boosting demand for a number of gear-containing products.

Elecon Engineering - Company Review

Elecon Engineering closed FY 16 on a mixed operating performance. While the year was challenging from a business point of view, the Company made significant headway in terms of order booking and sustaining operational activity at the plant level.

On the business front, The Company's gears business continued its robust performance of order booking and execution. It also booked two very large scale orders in the naval defence space. The gear business's standalone order book now is about ₹72,200 Lacs.

These were the prestigious orders for Elecon given the strategic importance of the defence sector in India. This is also a testament to the new range of marine gearboxes which the Elecon R & D team had introduced to the market in FY 15. In the Navy business, the Company is dominantly placed and with the defence plans that the country has, it gives a very healthy outlook towards the business.

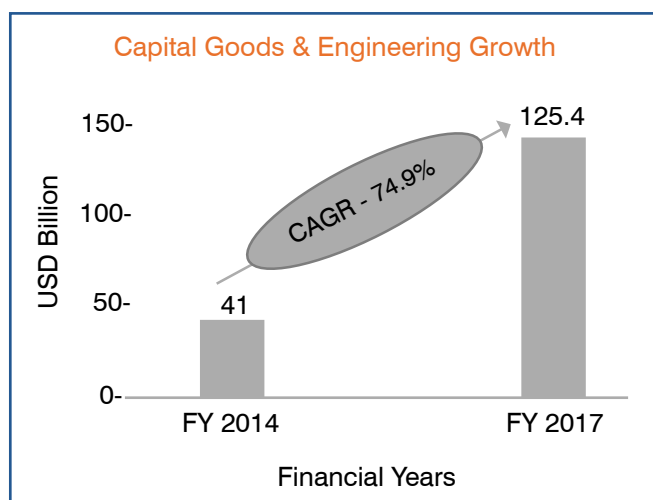


Figure 2- Indian Engineering Sector Forecast(IBEF)

The Material Handling business, however, remains sluggish owing to macro factors which the Company believe would be taken care of by the government's ongoing measures across sectors. This seems to be an industry level issue as the year saw less number of projects in the market for tender. The Company had a reasonable order inflow, however execution at the level of client resulted in muted financial performance. However, as a counter measure and for the long term gain, we have already turned our strategy more towards our product business and less on the EPC terms. When we look at topline in MHE around 25-30% was contributed from EPC business and 70-75% came from Products and going forward, we envisage EPC business to go down further and the product business will keep on increasing.

Further, The Board of Directors of the Company have unanimously recommended the proposed combination of Elecon Engineering Company Limited with Elecon EPC Projects Limited. The merger of Elecon EPC into Elecon was necessitated as some of the advantages that we envisaged in the earlier demerger of 2012 did not percolate down to both the divisions. While the Company did see some momentum in the gear business, the material handling business was down due to multiple factors beyond company's control. The Company believes that merger of the Material Handling business back into Elecon Engineering would deliver economies of scale and financial benefits that would benefit both the Company and the shareholders.

At the close of FY 2015-16, the Company's gear business order book stood at ₹72,200 Lacs while the MHE business's order backlog translates to about ₹ 84,100 Lacs. The gear business orders generally take 3-9 months in execution (excluding the recent naval orders) while the MHE orders could take more than 12-24 months. This gives the Company a strong order book visibility for the coming period.

Segment Wise Revenue - Gear Business

During the fiscal 2016, the power business contributed close to 28% in the overall business. In terms of orders, the sector however did not contribute significantly. There have been less orders that were floated in the market in this particular sector. Going forward, Indian power sector is likely to undergo a significant change that has redefined the industry outlook. The Government of India's focus on attaining 'Power for All' has accelerated capacity addition in the country. The Planning Commission's 12th Five-Year Plan estimates total domestic energy production to reach 669.6 million tonnes of oil equivalent (MTOE) by 2016-17 and 844 MTOE by 2021-22. By 2030-35, energy demand in India is projected to be the highest among all countries

according to the 2014 energy outlook report by British oil giant, BP. Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini-hydel and biomass-based power in India over the next

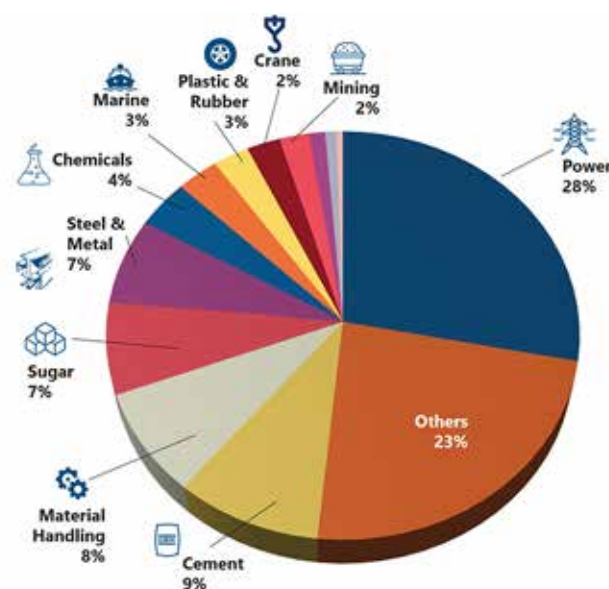


Figure 3- Segment Wise Breakup of our gear business

5-10 years. The initiative would entail an investment of about USD 310-350 billion. Our business in Cement sector was 9% of the overall revenues. The sector's demand was also subdued as the capex activity in the sector has not really picked up to its full potential. We booked close to 4,000 Lacs of orders in the sector. However, we envisage this sector to remain important for us and in the future we are hopeful of ground level recovery in the economy. The Cement demand in India is expected to increase due to government's push for large infrastructure projects, leading to 45 million tonnes of cement needed in the next three to four years. India's cement demand is expected to reach 550-600 million tonnes per annum (MTPA) by 2025. The housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption in India. The other major consumers of cement include infrastructure at 13%, commercial construction at 11% and industrial construction at 9%. The other sectors which contributed to our revenues were sugar, steel, chemicals and marine. In the steel sector, we envisage structural changes that would positively impact the sector. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. India's steel consumption for FY 2015-16 is estimated to increase by 7%, higher than 2% growth last year, due to improving economic activity, as per E&Y's 'Global Steel 2015-16' report. From an order book perspective, as we mentioned earlier, our major contributor has been the order worth ₹53,000 Lacs received in the marine defence space.

We are hopeful of this business seeing more traction in the years to come. From a port and shipping industry perspective, the Ministry for Shipping, Road Transport and Highways announced a massive investment in India's ports and roads sector, which is likely to help boost the country's economy. The Indian government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. The Government plans to invest ₹70,00,000 Lacs (USD 10.5 billion) in 12 major ports in the next five years under 'Sagarmala' initiative.

Financial Performance

From a financial perspective, the standalone total turnover remained muted at ₹51,884.38 Lacs as compared to ₹50,319.24 Lacs in the previous year. EBITDA stood at ₹10,467.42 Lacs as compared to ₹10,650.35 Lacs during the previous year. EBITDA Margin at 20.2% for FY16. Net profit stood at ₹4,315.20 Lacs for FY16 as compared to ₹3,318.58 Lacs in the previous year, an increase of 30%. Basic EPS stood at ₹3.96 as against ₹3.05 in FY15, an increase of 30%. At the Consolidated level, the turnover were ₹1,28,534.56 Lacs this fiscal as compared to ₹1,32,889.05 Lacs in the previous year. This decline was largely on account of drop in the sales of our material handling business. At the EBITDA levels, it registered a margin of 11.7% and the Consolidated PAT after minority interest and share of profit of associates was at ₹3,821.67 Lacs. This also includes the sale of surplus land which we concluded in the third quarter of fiscal 2016.

The Board of Directors of the Company also recommended a dividend of 55% (₹1.10 per share) for its shareholders.

Risk and Concerns

As far as the industry, in which your Company does its business, is concerned, the significant challenges to gear business included high cost pressure from customers to reduce investment costs, quick response times for quotations, technology upgrades, lack of skilled labour, material costs, the overall economy and supply chain issues. However, the increase in capital expenditure for vendors also could pose a challenge to the growth of this market.

However, your Company has surpassed all the internal challenges like, technology upgrades, lack of skilled labour, supply chain, etc. to continue the momentum in business operations. The external challenges can be met as economic reforms will get in placed because of a stable government.

As your Company caters to various industries like, Power, Steel, Cement, Sugar, Ports, Mining, etc., it can

maintain growth momentum by setting off slowdown of one sector with growth of the other in different industries, if in case the capex in each of the sector, being interest rate sensitive, is deferred in the current high interest rate regime.

Internal Control System

Internal Controls are continuously evaluated by the Internal Auditors and Management. Findings from internal audits are reviewed by the Management and by the Audit Committee and corrective actions and controls have been put in place wherever necessary. Scope of work of Internal Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

Development in Human Resources/Industrial front

It has been the tradition of the Company to maintain excellent industrial relations at all levels. This has ensured a very healthy level of enthusiasm within the employees. This has enabled the Company to maintain its growth despite competition and economic slowdown.

The number of employees as on March 31, 2016 was 694 as against 638 as on March 31, 2015.

Outlook

The Indian Economic growth is projected to remain robust in the years to come. The Public investment has picked up and we also envisage faster clearance of key projects; better infrastructure and greater ease of doing business. We believe that the government's fiscal policy will remain supportive and investments in the energy, transport, infrastructure and core areas would be promoted. Going into the future, with the merger of two entities, the consolidated Elecon entity would be able to utilize its full potential and leverage on the combined financial strength as well as optimize the use of resources for the purpose of future growth.

The Company remains confident on the prospects of the business however an upside to its performance would directly correlate to the way overall economy performs. If the overall capex activity picks up in India, the Company may have a quicker translation of orders into sales and thus a better performance. For Elecon, the key catalysts to a better performance would be an increased economic activity including the revival of core sectors such as power, steel, cement and mining. The Company believes that the government is taking effective measures to take care of economic activity revival. Sooner than later, it should see the momentum coming back in the economy.



ANNEXURE - A TO BOARD'S REPORT

Nomination and Remuneration Policy

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 23rd May, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee.

The Policy as formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015 goes as under.

THE NOMINATION AND REMUNERATION POLICY

Introduction

In accordance with terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its resolution dated February 3, 2015. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The key features of Company's policy shall be included in the Board's Report.

Definitions

In this Policy unless the context otherwise requires:

- (1) **"Act"** means Companies Act, 2013 and rules thereunder.
- (2) **"Company"** means "Elecon Engineering Company Limited".
- (3) **"Board of Directors"** or **"Board"**, in relation to the Company, means the collective body of the directors of the Company.
- (4) **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- (5) **"Key Managerial Personnel"** (KMP) means
 - i) Chief Executive Officer or the Managing Director or the Manager,
 - ii) Company Secretary,
 - iii) Wholtime Director,
 - iv) Chief Financial Officer and
 - v) Such other officer as may be prescribed.
- (6) **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- (7) **"Policy"** means, "Nomination and Remuneration Policy."
- (8) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- (9) **"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
- (10) **"Ministry"** means the Ministry of Corporate Affairs.
- (11) **"Regulations"** refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.
- (12) **"Employees' Stock Option"** means the option given to the directors, officers or employees of a Company or of its holding Company or subsidiary Company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

Objective

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

Membership / Composition

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

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

CHAIRMAN

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

QUORUM

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

COMMITTEE MEMBERS' INTERESTS

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

VOTING

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

TERM

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

Applicability

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel
3. Senior Management Personnel
4. Other Employees of the Company

Effective Date

This policy shall be operational with immediate effect after its adoption and approval by the Board of Directors at its meeting held on 3rd February, 2015.

Role / Duties

The Nomination and Remuneration Committee is responsible for:

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

EVALUATION

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

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

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.



- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

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

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

APPOINTMENT OF DIRECTORS/KMPS/SENIOR OFFICIALS

- Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
 - assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - the nature of existing positions held by the appointee including directorships or other

relationships and the impact they may have on the appointee's ability to exercise independent judgment;

➤ Personal specifications for Directors

1. Qualification
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
2. Experience
 - Experience of management in a diverse organisation
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
3. Skills
 - Excellent interpersonal, communication and representational skills
 - Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
4. Abilities and Attributes
 - Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
5. Political inclinations and opinions.
6. Other Specifications as under:
 - Degree holder in relevant disciplines;
 - Experience of management in a diverse organization;
 - Excellent interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
 - Having continuous professional development to refresh knowledge and skills.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

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

(i) Remuneration:

a) Base Compensation (Fixed Salaries)

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

b) Variable Salary

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

(ii) Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
 - The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
 - The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
 - The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
 - The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
 - The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
 - The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.



REMOVAL

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

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

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

OTHER GENERAL MATTERS

The Committee shall ensure that –

1. The policy is in accordance with the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force);
2. The composition of the Board is in accordance with the Companies Act, 2013, and the rules made

thereunder, and Listing Agreement as amended from time to time;

3. The Board of the Company may consciously consist of directors from expertise field as may be considered fit by the Committee which is essential and beneficial for the growth of the Company;
4. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
6. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
7. The policy is disclosed in the Boards' Report.

ANNEXURE - B TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

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

**To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Elecon Engineering Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Elecon Engineering Company Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- vi. Following other laws as applicable to the Company
 - a. Factories Act, 1948
 - b. Payment of Wages Act, 1936, and rules made thereunder,
 - c. The Minimum Wages Act, 1948, and rules made thereunder,
 - d. Employees' State Insurance Act, 1948, and rules made thereunder,
 - e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - f. The Payment of Bonus Act, 1965, and rules made thereunder,
 - g. Payment of Gratuity Act, 1972, and rules made thereunder,
 - h. The Contract Labour (Regulation) and Abolition Act, 1970
 - i. The Maternity Benefit Act, 1961
 - j. The Child Labour Prohibition and Regulation Act, 1986
 - k. The Industrial Employment (Standing Order) Act, 1946
 - l. The Employees Compensation Act, 1923



- m. The Apprentice Act, 1961
- n. Equal Remuneration Act, 1976
- o. The Environment (Protection) Act, 1986
- p. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975
- q. Industrial Dispute Act, 1947
- r. Sexual Harassment of Women at workplace Act, 2013

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with Stock Exchanges;
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - w.e.f. 1st December, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to late filing of certain e-forms.

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place : Ahmedabad
Date : April 26, 2016

CS Ashwin Shah
Company Secretary
C. P. No. 1640

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

'ANNEXURE I'

**To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.**

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

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

Place : Ahmedabad
Date : April 26, 2016

CS Ashwin Shah
Company Secretary
C. P. No. 1640

ANNEXURE - C TO BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR Policy is stated herein below:

Weblink: <http://elecon.com/wp-content/uploads/2016/06/Policy-on-CSR.pdf>

2. Composition of the CSR Committee:
Shri Hasmukhlal S. Parikh, Chairman
Shri Prayasvin B. Patel, Member
Shri Prashant C. Amin, Member
3. Average net profit of the Company for last three financial years (2012-13, 2013-14 & 2014-15):
Average net profit: ₹ 4505.25 lacs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
The Company was required to spend ₹ 90.10 lacs towards CSR.
5. Details of CSR spend for the financial year:
 - a. Total amount spent for the financial year:
₹ 91.12 lacs
 - b. Amount unspent, if any:
Nil
 - c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amt. Outlay (Budget) – Project/Programme wise	Amt. spent on projects or programme Sub Heads:- 1) Direct Exp. 2) Overheads	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency*
						₹ Lacs	₹ Lacs
1.	Educational Scholarship, providing educational aid to needy student and Scholarship to meritorious students	Education	Dist.: Anand, State: Gujarat	-	16.47	16.47	Through Implementing Agency
2.	Health Care	Medical	Dist.: Anand, State: Gujarat	-	5.40	5.40	Through Implementing Agency
3.	Social welfare	Charity	Dist.: Anand, State: Gujarat	-	69.25	69.25	Through Implementing Agency

*Details of Implementing Agencies: - 1) B. I. Patel Charitable Trust, 2) Vidyanidhi Trust, 3) Visamo Kids Foundation and 4) Charutar Vidya Mandal.

6. CSR Policy has been implemented and the CSR Committee monitors the implementation of the CSR project and activities with our CSR objectives.

For and on behalf of the Board of Directors

Prayasvin B. Patel

Chairman and
Managing Director
DIN : 00037394

Hasmukhlal S. Parikh

Chairman of
CSR Committee
DIN : 00127160

Place : Vallabh Vidyanagar

Date : April 27, 2016



ANNEXURE – D TO BOARD'S REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

1. CONSERVATION OF ENERGY

Energy conservation with more focus is continuous process through improved maintenance practices.

(a) Energy Conservation measures taken

- Energy conservation by adopting new technology with more focus on continuous improvement & process, through improved maintenance practices like Time Base Maintenance, Condition Base Maintenance etc.
- The Power saving by use of LED lights for work lights of M/Cs, overhead light in some shop floor areas stepwise.
- Installing the AC variable frequency drives in old cranes hoist application.
- Reduce the use of Compressor air by reducing over usages, idling of compressors, blocking of air leakages etc.
- Installation of active harmonic filters to reduce excessive cable heating & cable stresses which helps in energy conservation.
- Use of natural gas through VAM for air conditioning system, which leads to reduction of huge conventional air condition system & thus energy saving is occurred.
- Stepwise replacement of old & obsolete M/Cs stabilizer with new high efficiency micro processor based stabilizer to achieve low power losses & higher M/Cs efficiency.
- Reduced the use of natural resources like Oil, Water, and Energy by introducing Total Productive Maintenance (TPM) practice.
- Reduce m/c power consumption by implementing reduction of over usages, under usages, idling, and synchronization & transmission losses.
- In some areas air condition use is restricted by providing shielding & hence over usages reduced & it leads towards saving of energy.
- Start to use Inverter type Air Conditioner unit to achieve the Goal of energy conservation.
- Furnace efficiency increased by optimum usages, controlling heat losses & proper material planning.
- We are planning to replace conventional HPI-BU plus lighting (workshop) with LED lightings stepwise, to achieve the goal of energy saving.

- (b) Additional investments and proposal if any, being implemented for reduction of consumption of energy. Continuous measures are being adapted in the Company for energy conservation. Renovation of

HMBS substation and usage of more LED lights for future requirement has been planned. Efforts are being taken to explore each and every possibility of further reduction in energy consumption.

- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Significant reductions in consumption of energy and production cost of goods have been observed by the implementation of above referred measures. Implementation of above referred measures has resulted in increased facility reliability as well as improved equipment performance without any cost.

2. TECHNOLOGY ABSORPTION

(I) Research and Development

- (a) Specific Area in which R & D carried out by the Company :

- At Elecon R & D center, we are developing a new series of helical and bevel helical gear units for power industry. We will be designing seven types of Gearbox with fourteen different sizes installed in horizontal position. These gear boxes will provide exceptional levels of performance, versatility and life expectancy to meet the demanding requirement of modern industry. These new series will have higher operational reliability combined with increased torque range for new series of 146 KNm to 1400 KNm. The new series will be optimized to balance mechanical power, thermal ratings and bearing life. These new series offers a comprehensive range of right angle and parallel shaft combinations with ratios to suit all applications with low noise. The reliability of Gearbox is assured by structural analysis using ANSYS software to ensure gear case integrity and minimize deflections. Gear geometry will be optimized to increase load distributions and reduce transmission error-reduce operational noise.
- For Sugar Industry, we have developed planetary gear box PCF 125 Shaft mounted, and now we are in process of developing series of planetary gearboxes in line to our successful gear box PCF125. With new requirement from the industry, we have developed a foot mounted gear unit which saves foundation and coupling cost.
- For current financial Year we would be manufacturing and testing new Twin Screw Gear Box ETS-75 for twin-screw extruder. Extruders are commonly used equipment in the industrial production of plastics. Elecon with its reach experience in the gearing field will

now indigenously developed its "ETS" series of counter rotating gear boxes.

- Elecon will develop pump drive vertical gearbox series for agriculture, industrial and fire fighting application; it will be a single stage spiral bevel gearbox to transmit power from diesel engine to vertical pump. Gearbox will take care of torque to be transfer as well as thrust load developed by impeller. Optimum tooth contact and maximum performance is assured by computer aided design analysis and strict adherence to the latest AGMA (American Gear Manufacturers Association) standard.
- After understanding the growing cooling tower market demand in overseas market, Elecon will increase its current range of cooling tower gear boxes based on stringent AGMA standard.

(b) Benefits derived as a result of R & D:

It has resulted in the improvement of quality of the products and reduction in operational cost. Upgradation of products to the new requirements has been possible because of R&D. Based on the achievements of In-house R&D efforts, the Company is able to achieve a steady growth of 9.83% in EBIDTA as compared to last year.

(c) Future plan of action:

Future R & D efforts will include –

- (i) Development of new products.
- (ii) Continuous improvement of existing products.
- (iii) Product optimisation using advanced technology.
- (iv) Reduction of product cost
- (v) Undertake the R & D innovation in other diverse segments.

(d) Expenditure on R & D:

In pursuit of R & D endeavors the Company is continuously incurring R & D expenditure which has been separately reflected in the financial statements. The total R & D expenditure incurred during the financial year 2015-16 is as under:

	₹ in Lacs
Capital Expenditure	--
Revenue Expenditure	328.52
Total	328.52

(II) Technology absorption, adaptation and innovation

- Elecon R & D team will developed new split type planet carrier with the help of in-house Foundry facility, which will help in reducing blowholes and cracks developed during machining stage.
- During product development we used Value Engineering / Value Analysis technique to reduce product cost with the help of analysis by Ansys software to optimize design and validated product performance as per actual condition in field.
- Corresponding to the increasing demand of the twin-screw extruder, the Company had developed the series of high performance gearboxes for the twin-screw extruder. Extruders are commonly used equipment in the industrial production of plastics. Twin Screw extruder's machines require highly sophisticated gearbox to drive the co-rotating or counter rotating extruder screws with following Features :
 - i. Highest gearbox structure strength ensures minimum rotation vibration.
 - ii. High torque and high output speed rate design.
 - iii. Thrust bearing coupled in tandem way.
 - iv. Precision gear grinding to keep operation noise below 80db.
 - v. Forced lubrication and built in cooling
 - vi. Pack of thrust bearings form reputed manufacturers.

3. FOREIGN EXCHANGE DETAILS

(₹ in Lacs)

Particulars	2015-2016	2014-2015
Earnings	5345.38	7315.77
Outgo	4108.29	3270.90

Please refer Notes 36 to 38 in Notes to Financial Statements.



ANNEXURE – E TO BOARD’S REPORT

- a. Information pursuant to Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of this Directors' Report for the financial year ended on 31st March, 2016.

Name	Age	Qualification	Date of Joining	Designation	Gross Remuneration (₹ in Lacs)	Experience in years	Last Employment
*Shri Prayasvin Patel	58 Yrs.	B. E.(Mech.) M.B.A. (U. S. A.)	1 st July, 1983	Chairman & Managing Director	320.27	40	Business
*Shri Prashant Amin	60 Yrs.	M.B.A. Finance (U.S.A.), M.B.A. (Eng. & Mngt.)	1 st June, 2011	Executive Director	191.78	35	Emtici Engineering Ltd.
Shri Rajat Jain	47 Yrs.	B.Com (Hons), Chartered Accountant	4 th Nov., 2014	Group CFO	58.27	19	Walchandnagar Industries Ltd.

Notes :

- * The appointment is contractual.
 - The gross remuneration received includes Salary, Housing Allowance, Medical Allowance, Commission. Monetary value of perquisites is in accordance with provision of Income Tax Act, 1961.
 - Experience includes number of years of service elsewhere, wherever applicable.
 - Shri Prayasvin B. Patel, Chairman and Managing Director of the Company is relative of Shri Pradip M. Patel, Director of the Company.
- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the CMD, ED & KMP	Designation	Remuneration p.a. (Excluding perquisites) (₹ in Lacs)	Percentage Increase in Remuneration in FY 2015-16	Ratio (Remuneration of Director to Median Remuneration)	Comparison of the Remuneration of the KMP against the performance of the Company
1	Prayasvin B. Patel	Chairman & Managing Director	313.33	14.20	65.88	Profit After Tax increased by 30.03%
2	Prashant C. Amin	Executive Director	185.78	3.35	39.06	
3	Rajat Jain	Chief Financial Officer	56.47	#	#	
4	Paresh M. Shukla (upto Aug., 2015)	Company Secretary	4.95	#	#	
4	Parthiv Parikh (w.e.f. Jan., 2016)	Company Secretary	5.00	#	#	

Details not given as Shri Rajat Jain appointed as CFO for the Part of the Financial Year 2014-15. Shri Paresh M. Shukla resigned as Company Secretary w.e.f. Aug. 2015 and Shri Parthiv Parikh was not Company Secretary in the FY 2014-15.

(₹ in Lacs)

Sr. No.	Name of the Director	Designation	Details of Remuneration	Remuneration p.a. for the year 2015-16	Remuneration p.a. for the year 2014-15	% Increase/decrease in remuneration (2015-16 over 2014-15)
1	Pradip M. Patel	Non-Independent NED	Sitting Fees	2.20	2.40	(2.70)
			Commission	5.00	5.00	
2	Chirayu R. Amin	Independent NED	Sitting Fees	2.20	0.80	24.14
			Commission	5.00	5.00	
3	Jal R. Patel	Independent NED	Sitting Fees	1.50	2.00	(7.14)
			Commission	5.00	5.00	
4	Hasmukhlal S. Parikh	Independent NED	Sitting Fees	2.25	3.00	(9.38)
			Commission	5.00	5.00	
5	Jai S. Diwanji	Independent NED	Sitting Fees	0.75	0.40	6.48
			Commission	5.00	5.00	
6	Sonal V. Ambani	Independent NED	Sitting Fees	1.00	-	NA*
			Commission	5.00	0.83	
7	Rakesh Makhija	Additional Director	Sitting Fees	0.25	-	NA**
			Commission	-	-	

* Dr. Sonal V. Ambani has been appointed as an Additional Director w.e.f. 03/02/2015.

** Shri Rakesh Makhija was appointed as an Additional Director w.e.f. 14/08/2015 and resigned from the Directorship of the Company w.e.f. 27/11/2015.

Note : Commission related to the Financial Year ended 31st March, 2016. This will be paid after the Annual General Meeting to be held on 26th July, 2016.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 4.76 lacs.
- (iii) In the financial year, there was an increase of 19.99 % in the median remuneration of employees. (No. of employees have been increased from 638 to 694 as on March 31, 2016).
- (iv) There were 694 permanent employees on the rolls of Company as on March 31, 2016.
- (v) Relationship between average increase in remuneration and Company performance:- The Profit After Tax for the financial year ended March 31, 2016 increased by 30.03% whereas the increase in median remuneration was 19.99 %. The average increase in median remuneration was in line with the performance of the Company.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 16.89 % whereas the Profit before Tax increased by 28.50 % to ₹ 6,122.55 lacs in 2015-16 (₹ 4,764.69 lacs in 2014-15).
- (vii) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was ₹ 59,370 lacs (₹ 72,660 lacs as on March 31, 2015).
 - a) Price Earnings ratio of the Company was 13.76 as at March 31, 2016 and was 21.90 as at March 31, 2015.
 - b) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year. The Company had come out with initial public offer (IPO) in 1962. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 2,725 as on March 31, 2016. This is excluding the dividend accrued thereon and benefit on account of bonus shares or shares received at the time of demerger.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 42.23 % whereas the increase in the key managerial remuneration for the same financial year was 16.89 %.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



ANNEXURE - F TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN - Form No. MGT – 9

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L29259GJ1960PLC001082
ii)	Registration Date	11/01/1960
iii)	Name of the Company	ELECON ENGINEERING COMPANY LIMITED
iv)	Category / Sub-Category of the Company	PUBLIC COMPANY
v)	Address of the Registered office and contact details	ANAND – SOJITRA ROAD, VALLABH VIDYANAGAR – 388 120, GUJARAT TEL : 02692 236469 / 236513 FAX : 02692 227484 Website : www.elecon.com
vi)	Whether listed Company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PVT. LTD. B-102 & 103, Shangrila Complex, 1 st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota. Vadodara 390 020 TEL. No. +91 (265) 2356 573 / 2356 794 FAX No. +91 (265) 2356 791 E-MAIL : vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Gears (Reduction Gears)	84834000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLI-CABLE SECTION
1	Elecon EPC Projects Limited	U29219GJ1991PLC015379	Subsidiary	98.66*	2(87)(ii)
2	Elecon Transmission International Limited	98062	Wholly-Owned Subsidiary	100	2(87)(ii)
3	Elecon Singapore Pte. Limited	200006402R	Wholly-Owned Subsidiary	100	2(87)(ii)
4	Elecon Middle East FZE	834	Wholly-Owned Subsidiary	100	2(87)(ii)
5	Benzlers Systems AB, Sweden	556723-0817	WO Step Down Subsidiary Company	100	2(87)(ii)
6	Radicon Transmission UK Limited	7397993	WO Step Down Subsidiary Company	100	2(87)(ii)
7	AB Benzlers, Sweden	556043-6007	WO Step Down Subsidiary Company	100	2(87)(ii)
8	Elecon US Transmission Limited	SRV 100998235 - 4885125 FILE	WO Step Down Subsidiary Company	100	2(87)(ii)
9	Benzler Transmission A.S.	64445618	WO Step Down Subsidiary Company	100	2(87)(ii)
10	Benzler Antriebstechnik G.M.B.H, Germany	HRB61122	WO Step Down Subsidiary Company	100	2(87)(ii)
11	Benzler TBA B.V. Netherlands	12021081	WO Step Down Subsidiary Company	100	2(87)(ii)
12	Benzler Antriebstechnik Ges.M.B.H, Austria	FN 88631 S	WO Step Down Subsidiary Company	100	2(87)(ii)
13	OY Benzler AB, Finland	0106993-1	WO Step Down Subsidiary Company	100	2(87)(ii)
14	Benzlers SDN BDH, Malaysia	107816-K	WO Step Down Subsidiary Company	100	2(87)(ii)
15	Benzlers Italia S.R.L., Italy	107816-K	WO Step Down Subsidiary Company	100	2(87)(ii)
16	Eimco Elecon (India) Limited	L29199GJ1974PLC002574	Joint Venture	16.62	2(6)
17	Elecon Eng. (Suzhou) Co. Limited		Associate	50	2(6)
18	Elecon Africa Pty. Limited	2002/023798/07	Associate	50	2(6)
19	Elecon Australia Pty. Limited	ACN 099 879 517	Associate	50	2(6)

* Includes % of Preference Shares held by the Company.

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3176874	0	3176874	2.92	4117366	0	4117366	3.78	0.86
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	59165553	0	59165553	54.31	58345553	0	58345553	53.56	-0.75
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
f-i) Trust	928492	0	928492	0.85	0	0	0	0.00	-0.85
Total shareholding of Promoter (A)	63270919	0	63270919	58.08	62462919	0	62462919	57.34	-0.74
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3954447	0	3954447	3.63	8773222	0	8773222	8.05	4.42
b) Banks / FI	139591	23940	163531	0.15	279607	23940	303547	0.28	0.13
c) Central Govt	278648	0	278648	0.26	278648	0	278648	0.26	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	494071	0	494071	0.45	10212	0	10212	0.01	-0.44
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify Foreign Portfolio Investor)	0	0	0	0.00	571666	0	571666	0.52	0.52
Sub-total (B)(1):-	4866757	23940	4890697	4.49	9913355	23940	9937295	9.12	4.63
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4939355	31905	4971260	4.56	3608415	31905	3640320	3.34	-1.22
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	24841172	2772730	27613902	25.35	22084123	2620280	24704403	22.68	-2.67
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	4534151	181870	4716021	4.33	4199313	181870	4381183	4.02	-0.31
c) Others (specify)									
Non Resident Indians	1065808	390	1066198	0.98	1056492	390	1056882	0.97	-0.01
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	1498918	0	1498918	1.38	550590	0	550590	0.51	-0.87
Trusts	1000	0	1000	0.00	1000	0	1000	0.00	0.00
Foreign Bodies- D R	0	0	0	0.00	0	0	0	0.00	0.00
HUF	376478	0	376478	0.35	1750553	0	1750553	1.61	1.26



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Directors & Their Relatives	449211	0	449211	0.41	422261	0	422261	0.39	-0.02
Market Maker	81239	0	81239	0.07	28437	0	28437	0.03	-0.04
Sub-total (B)(2):-	37787332	2986895	40774227	37.43	33701184	2834445	36535629	33.54	-3.89
Total Public Shareholding (B)=(B)(1) + (B)(2)	42654089	3010835	45664924	41.92	43614539	2858385	46472924	42.66	0.74
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+.B+C)	105925008	3010835	108935843	100.00	106077458	2858385	108935843	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year [As on 01-April-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Emtici Engineering Limited	26775669	24.58	5.82	25783669	23.67	6.16	-0.91
2	Prayas Engineering Limited	11166394	10.25	0.00	11166394	10.25	0.00	0.00
3	Power Build Private Limited	15960	0.01	0.00	15960	0.01	0.00	0.00
4	Bipra Investments And Trusts Private Limited	5876621	5.39	0.00	5876621	5.39	3.08	0.00
5	Devkishan Investments Private Limited	1195779	1.10	0.00	1195779	1.10	0.00	0.00
6	Elecon Information Technology Limited	1946624	1.79	0.00	1946624	1.79	0.00	0.00
7	K B Investments Private Limited	10081125	9.25	0.00	10253125	9.41	4.33	0.16
8	Akaaish Mechatronics Limited	1786187	1.64	0.00	1786187	1.64	1.59	0.00
9	Speciality Woodpack Private Limited	160597	0.15	0.00	160597	0.15	0.00	0.00
10	Wizard Fincap Limited	160597	0.15	0.00	160597	0.15	0.00	0.00
11	Prayasvin Bhanubhai Patel	99962	0.09	0.00	99962	0.09	0.00	0.00
12	Prayasvin Bhanubhai Patel/ Taruna P. Patel	36019	0.03	0.00	36019	0.03	0.00	0.00
13	Prayasvin Bhanubhai Patel	1190529	1.09	0.00	1190529	1.09	0.00	0.00
14	Prayasvin B. Patel (On Behalf of Bhanubhai I. Patel -HUF)	227490	0.21	0.00	227490	0.21	0.00	0.00
15	Taruna Patel	191816	0.18	0.00	203816	0.19	0.00	0.01
16	Trupti Pradip Patel	1431058	1.31	0.00	1431058	1.31	0.00	0.00
17	Prayasvin B. Patel* (C/o. S. I. Patel Trust)	928492	0.85	0.00	0.00	0.00	0.00	-0.85
18	Prayasvin B. Patel	0	0.00	0.00	928492	0.85	0.00	0.85
	TOTAL	63270919	58.08	7.20	62462919	57.34	15.16	-0.74

*transfer from S. I. Patel Trust to Prayasvin B. Patel due to dissolution of the Trust.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 1 st April, 2015		Transactions during the year		Cumulative Shareholding at the end of the year 31 st March 2016	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No of Shares Held	% of total shares of the Company
1	Emtici Engineering Limited	26775669	24.58			26775669	24.58
	Transfer			17 Jul 2015	(1150000)	25625669	23.52
	Transfer			28 Aug 2015	158000	25783669	23.67
	At the end of the year					25783669	23.67
2	Prayas Engineering Limited	11166394	10.25			11166394	10.25
	At the end of the year					11166394	10.25
3	K B Investments Private Limited	10081125	9.25			10081125	9.25
	Transfer			28 Aug 2015	172000	10253125	9.41
	At the end of the year					10253125	9.41
4	Bipra Investments & Trusts Private Limited	5876621	5.39			5876621	5.39
	At the end of the year					5876621	5.39
5	Prayasvin Bhanubhai Patel	1326510	1.21			1326510	1.22
	Transfer			30 Oct 2015	928492	2255002	2.07
	At the end of the year					2255002	2.07
6	Elecon Information Technology Limited	1946624	1.79			1946624	1.79
	At the end of the year					1946624	1.79
7	Akaaish Mechatronics Limited	1786187	1.64			1786187	1.64
	At the end of the year					1786187	1.64
8	Trupti Pradip Patel	1431058	1.31			1431058	1.31
	At the end of the year					1431058	1.31
9	Devkishan Investments Private Limited	1195779	1.10			1195779	1.10
	At the end of the year					1195779	1.10
10	Bhanubhai Patel-Karta-(B I Patel-Huf)	227490	0.21			227490	0.21
	At the end of the year					227490	0.21
11	Taruna Patel	191816	0.18			191816	0.18
	Transfer			26 Jun 2015	12000	203816	0.19
	At the end of the year					203816	0.19
12	Wizard Fincap Limited	160597	0.15			160597	0.15
	At the end of the year					160597	0.15
13	Speciality Woodpack Private Limited	160597	0.15			160597	0.15
	At the end of the year					160597	0.15
14	Power Build Private Limited	15960	0.02			15960	0.01
	At the end of the year					15960	0.01
15	Prayasvin Patel (C/O S. I. Patel Trust)*	928492	0.85			928492	0.85
	Transfer			30 Oct 2015	(928492)	0	0.00
	At the end of the year					0	0.00

*transfer from S. I. Patel Trust to Prayasvin B. Patel due to dissolution of the Trust.



iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 1 st April, 2015		Transactions during the year		Cumulative Shareholding at the end of the year 31 st March 2016	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total Shares of the Company
1	HDFC Trustee Company Ltd - HDFC Core And Satellite Fund	152000	0.1395			152000	0.1395
	Transfer			19 Jun 2015	516850	668850	0.6140
	Transfer			26 Jun 2015	320000	988850	0.9077
	Transfer			03 Jul 2015	200000	1188850	1.0913
	Transfer			31 Jul 2015	173250	1362100	1.2504
	Transfer			21 Aug 2015	485000	1847100	1.6956
	Transfer			04 Sep 2015	20517	1867617	1.7144
	Transfer			11 Sep 2015	212200	2079817	1.9092
	Transfer			18 Sep 2015	35000	2114817	1.9413
	Transfer			30 Oct 2015	375000	2489817	2.2856
	Transfer			06 Nov 2015	759000	3248817	2.9823
	Transfer			13 Nov 2015	146461	3395278	3.1168
	Transfer			20 Nov 2015	82300	3477578	3.1923
	Transfer			27 Nov 2015	231000	3708578	3.4044
	Transfer			11 Dec 2015	321000	4029578	3.6990
	Transfer			18 Dec 2015	72000	4101578	3.7651
	Transfer			08 Jan 2016	60000	4161578	3.8202
	Transfer			15 Jan 2016	126000	4287578	3.9359
	Transfer			22 Jan 2016	202500	4490078	4.1218
	Transfer			29 Jan 2016	102500	4592578	4.2159
	Transfer			05 Feb 2016	159000	4751578	4.3618
	Transfer			19 Feb 2016	128000	4879578	4.4793
	Transfer			26 Feb 2016	219106	5098684	4.6804
	Transfer			11 Mar 2016	225000	5323684	4.8870
	Transfer			18 Mar 2016	803000	6126684	5.6241
	Transfer			25 Mar 2016	216000	6342684	5.8224
	At the end of the year					6342684	5.8224
2	UTI- Infrastructure Fund	1650000	1.5147			1650000	1.5147
	Transfer			17 Jul 2015	278876	1928876	1.7707
	Transfer			23 Oct 2015	78943	2007819	1.8431
	Transfer			30 Oct 2015	34718	2042537	1.8750
	Transfer			04 Dec 2015	(640)	2041897	1.8744
	Transfer			11 Dec 2015	(1055)	2040842	1.8734
	Transfer			01 Jan 2016	(3141)	2037701	1.8706
	Transfer			05 Feb 2016	(5415)	2032286	1.8656
	Transfer			04 Mar 2016	(2404)	2029882	1.8634
	Transfer			11 Mar 2016	(200000)	1829882	1.6798
	At the end of the year					1829882	1.6798
3	Sundaram Mutual Fund A/C Sundaram Value Fund Series - I	600656	0.5514			600656	0.5514
	At the end of the year					600656	0.5514

4	Hemang Raichand Dharamshi	500000	0.4590			500000	0.4590
	Transfer			25 Sep 2015	500000	1000000	0.9180
	Transfer			30 Sep 2015	(500000)	500000	0.4590
	At the end of the year					500000	0.4590
5	Acadian Emerging Markets Small Cap Equity Fund LIC	184709	0.1696			184709	0.1696
	Transfer			22 May 2015	76380	261089	0.2397
	Transfer			24 Jul 2015	123577	384666	0.3531
	Transfer			21 Aug 2015	71848	456514	0.4191
	At the end of the year					456514	0.4191
6	JM Financial Services Limited	34560	0.0317			34560	0.0317
	Transfer			03 Apr 2015	22515	57075	0.0524
	Transfer			10 Apr 2015	(37714)	19361	0.0178
	Transfer			17 Apr 2015	(4726)	14635	0.0134
	Transfer			24 Apr 2015	(1657)	12978	0.0119
	Transfer			01 May 2015	657	13635	0.0125
	Transfer			08 May 2015	(671)	12964	0.0119
	Transfer			15 May 2015	(577)	12387	0.0114
	Transfer			22 May 2015	(2736)	9651	0.0089
	Transfer			29 May 2015	1412	11063	0.0102
	Transfer			05 Jun 2015	5597	16660	0.0153
	Transfer			12 Jun 2015	(1323)	15337	0.0141
	Transfer			19 Jun 2015	1979	17316	0.0159
	Transfer			26 Jun 2015	(9403)	7913	0.0073
	Transfer			30 Jun 2015	(1820)	6093	0.0056
	Transfer			03 Jul 2015	(745)	5348	0.0049
	Transfer			10 Jul 2015	1891	7239	0.0066
	Transfer			17 Jul 2015	12017	19256	0.0177
	Transfer			24 Jul 2015	(7247)	12009	0.0110
	Transfer			31 Jul 2015	(145)	11864	0.0109
	Transfer			07 Aug 2015	(1150)	10714	0.0098
	Transfer			14 Aug 2015	(186)	10528	0.0097
	Transfer			21 Aug 2015	(1969)	8559	0.0079
	Transfer			28 Aug 2015	(2570)	5989	0.0055
	Transfer			04 Sep 2015	295	6284	0.0058
	Transfer			11 Sep 2015	(469)	5815	0.0053
	Transfer			18 Sep 2015	8867	14682	0.0135
	Transfer			25 Sep 2015	(9806)	4876	0.0045
	Transfer			30 Sep 2015	(24)	4852	0.0045
	Transfer			09 Oct 2015	4873	9725	0.0089
	Transfer			16 Oct 2015	4145	13870	0.0127
	Transfer			23 Oct 2015	16487	30357	0.0279
	Transfer			30 Oct 2015	(12237)	18120	0.0166
	Transfer			06 Nov 2015	63083	81203	0.0745
	Transfer			13 Nov 2015	(74434)	6769	0.0062
	Transfer			20 Nov 2015	(1443)	5326	0.0049
	Transfer			27 Nov 2015	2680	8006	0.0073
	Transfer			04 Dec 2015	(1305)	6701	0.0062
	Transfer			11 Dec 2015	(2099)	4602	0.0042
	Transfer			18 Dec 2015	6570	11172	0.0103
	Transfer			25 Dec 2015	(6965)	4207	0.0039
	Transfer			31 Dec 2015	298	4505	0.0041



	Transfer			01 Jan 2016	6	4511	0.0041
	Transfer			08 Jan 2016	9554	14065	0.0129
	Transfer			15 Jan 2016	(7378)	6687	0.0061
	Transfer			22 Jan 2016	1460	8147	0.0075
	Transfer			29 Jan 2016	(892)	7255	0.0067
	Transfer			05 Feb 2016	1050	8305	0.0076
	Transfer			12 Feb 2016	5827	14132	0.0130
	Transfer			19 Feb 2016	(5597)	8535	0.0078
	Transfer			26 Feb 2016	2756	11291	0.0104
	Transfer			04 Mar 2016	(6264)	5027	0.0046
	Transfer			11 Mar 2016	450951	455978	0.4186
	Transfer			18 Mar 2016	(452773)	3205	0.0029
	Transfer			25 Mar 2016	(2185)	1020	0.0009
	Transfer			31 Mar 2016	450180	451200	0.4142
	At the end of the year					451200	0.4142
7	Ajay Upadhyaya	0	0.0000			0	0.0000
	Transfer			24 Apr 2015	114000	114000	0.1046
	Transfer			01 May 2015	86000	200000	0.1836
	Transfer			08 May 2015	101000	301000	0.2763
	Transfer			15 May 2015	49000	350000	0.3213
	Transfer			12 Jun 2015	60250	410250	0.3766
	Transfer			03 Jul 2015	350	410600	0.3769
	Transfer			25 Sep 2015	410600	821200	0.7538
	Transfer			30 Sep 2015	(410600)	410600	0.3769
	Transfer			23 Oct 2015	(6840)	403760	0.3706
	Transfer			30 Oct 2015	(3160)	400600	0.3677
	At the end of the year					400600	0.3677
8	Vijaya S	317390	0.2914			317390	0.2914
	Transfer			11 Sep 2015	12000	329390	0.3024
	Transfer			25 Sep 2015	329390	658780	0.6047
	Transfer			30 Sep 2015	(329390)	329390	0.3024
	Transfer			09 Oct 2015	2187	331577	0.3044
	Transfer			16 Oct 2015	813	332390	0.3051
	Transfer			23 Oct 2015	5160	337550	0.3099
	Transfer			06 Nov 2015	37112	374662	0.3439
	Transfer			20 Nov 2015	3000	377662	0.3467
	At the end of the year					377662	0.3467
9	Kalpraj Damji Dharamshi	500000	0.4590			500000	0.4590
	Transfer			10 Jul 2015	(150000)	350000	0.3213
	Transfer			25 Sep 2015	350000	700000	0.6426
	Transfer			30 Sep 2015	(350000)	350000	0.3213
	Transfer			15 Jan 2016	(50000)	300000	0.2754
	At the end of the year					300000	0.2754
10	Hina Kalpraj Dharamshi	0	0.0000			0	0.0000
	Transfer			04 Mar 2016	300000	300000	0.2754
	At the end of the year					300000	0.2754
11	Suresh Bhatia	400297	0.3675			400297	0.3675
	Transfer			10 Apr 2015	117073	517370	0.4749
	Transfer			26 Jun 2015	162500	679870	0.6241
	Transfer			30 Jun 2015	(75000)	604870	0.5553
	Transfer			28 Aug 2015	(50000)	554870	0.5094
	Transfer			13 Nov 2015	75427	630297	0.5786

	Transfer			27 Nov 2015	50000	680297	0.6245
	Transfer			08 Jan 2016	(10000)	670297	0.6153
	Transfer			15 Jan 2016	(10000)	660297	0.6061
	Transfer			22 Jan 2016	(10000)	650297	0.5970
	Transfer			12 Feb 2016	(297)	650000	0.5967
	Transfer			11 Mar 2016	(450000)	200000	0.1836
	At the end of the year					200000	0.1836
12	TATA Trustee Co. Ltd A/C TATA Mutual Fund - TATA Equity P/E Fund	1040230	0.9549			1040230	0.9549
	Transfer			10 Apr 2015	(340230)	700000	0.6426
	Transfer			17 Apr 2015	(700000)	0	0.0000
	At the end of the year					0	0.0000
13	Madhavan Kunniyur	500000	0.4590			500000	0.4590
	Transfer			10 Apr 2015	50000	550000	0.5049
	Transfer			24 Apr 2015	50000	600000	0.5508
	Transfer			22 May 2015	(250000)	350000	0.3213
	Transfer			29 May 2015	(95351)	254649	0.2338
	Transfer			19 Jun 2015	(84649)	170000	0.1561
	Transfer			26 Jun 2015	(66568)	103432	0.0949
	Transfer			10 Jul 2015	(53432)	50000	0.0459
	Transfer			17 Jul 2015	(50000)	0	0.0000
	At the end of the year					0	0.0000
14	Pramerica Midcap Opportunities Fund	300000	0.2754			300000	0.2754
	Transfer			19 Jun 2015	(100000)	200000	0.1836
	Transfer			11 Sep 2015	34461	234461	0.2152
	Transfer			29 Jan 2016	35539	270000	0.2479
	Transfer			11 Mar 2016	(270000)	0	0.0000
	At the end of the year					0	0.0000

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Prayasvin B. Patel - CMD				
	At the beginning of the year on 1 st April, 2015	1326510	1.22	1326510	1.22
	Increase during the year by transfer*	928492	0.85	2255002	2.07
	At the end of the year on 31 st March, 2016	2255002	2.07	2255002	2.07

*transfer from S. I. Patel Trust due to dissolution of the Trust

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	Prashant C. Amin - ED				
	At the beginning of the year on 1 st April, 2015	37675	0.03	37675	0.03
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year on 31 st March, 2016	37675	0.03	37675	0.03



Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	Pradip M. Patel - NED				
	At the beginning of the year on 1 st April, 2015	43161	0.04	43161	0.04
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year on 31 st March, 2016	43161	0.04	43161	0.04

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	Hasmukhlal S. Parikh - NED & ID				
	At the beginning of the year on 1 st April, 2015	48900	0.04	48900	0.04
	Increase during the year due to purchase of Shares.	1100	0.01	50000	0.05
	At the end of the year on 31 st March, 2016	50000	0.05	50000	0.05

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	Chirayu R. Amin - NED & ID				
	At the beginning of the year on 1 st April, 2015	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year on 31 st March, 2016	Nil	Nil	Nil	Nil

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	Jal R. Patel - NED & ID				
	At the beginning of the year on 1 st April, 2015	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year on 31 st March, 2016	Nil	Nil	Nil	Nil

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Jai S. Diwanji - NED & ID				
	At the beginning of the year on 1 st April, 2015	28050	0.03	28050	0.03
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year on 31 st March, 2016	28050	0.03	28050	0.03

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8.	Sonal V. Ambani - NED & ID				
	At the beginning of the year on 1 st April, 2015	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year on 31 st March, 2016	Nil	Nil	Nil	Nil

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Rajat Jain - CFO				
	At the beginning of the year on 1 st April, 2015	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year on 31 st March, 2016	Nil	Nil	Nil	Nil

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	Parthiv Parikh - CS				
	At the beginning of the year on 1 st April, 2015	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year on 31 st March, 2016	Nil	Nil	Nil	Nil



V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	23,989.30	881.66	-	24,870.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	78.41	-	-	78.41
Total (i+ii+iii)	24,067.71	881.66	-	24,949.37
Change in Indebtedness during the financial year				
* Addition	7,425.70	3,110.81	-	10,536.51
* Reduction	2,483.67	881.66	-	3,365.33
Net Change	4,942.03	2,229.15	-	7,171.18
Indebtedness at the end of the financial year				
i) Principal Amount	28,931.33	3,110.81	-	32,042.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	106.84	-	-	106.84
Total (i+ii+iii)	29,038.17	3,110.81	-	32,148.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Prayasvin Patel (CMD)	Shri Prashant Amin (WTD)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	313.33	185.78	499.11
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	6.94	6.00	12.94
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	320.27	191.78	512.05
	Ceiling as per the Act	5% of Net Profit	5% of Net Profit	10% of Net Profit

B. Remuneration to Other Directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Pradip Patel	Hasmukhlal Parikh	Chirayu Amin	Jal Patel	Jai Diwanji	Sonal Ambani	*Rakesh Makhija	
1	Independent Directors								
	Fee for attending board committee meetings	--	2.25	2.20	1.50	0.75	1.00	0.25	7.95
	Commission	--	5.00	5.00	5.00	5.00	5.00	--	25.00
	Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	--	7.25	7.20	6.50	5.75	6.00	0.25	32.95
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	2.20	--	--	--	--	--	--	2.20
	Commission	5.00	--	--	--	--	--	--	5.00
	Others, please specify	--	--	--	--	--	--	--	--
	Total (2)	7.20	--	--	--	--	--	--	7.20
	Total (B)=(1+2)	7.20	7.25	7.20	6.50	5.75	6.00	0.25	40.15
	Total Managerial Remuneration	7.20	7.25	7.20	6.50	5.75	6.00	0.25	40.15
	Ceiling as per the Act	1% of Net Profit							
	Overall Ceiling as per the Act	11% of Net Profit (for Remuneration of all Directors together)							

Note : Commission related to the Financial Year ended 31st March, 2016. This will be paid after the Annual General Meeting to be held on 26th July, 2016.

* Shri Rakesh Makhija was appointed as an Additional Director w.e.f 14/08/2015 and resigned from the Directorship of the Company w.e.f. 27/11/2015.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Rajat Jain (CFO)	Shri Parthiv Parikh (CS) (w.e.f. Jan., 2016)	Shri Paresh Shukla (CS) (upto Aug., 2015)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	56.47	4.87	4.95	66.29
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.80	0.45	0.42	2.67
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	---	---	---	---
2	Stock Option	---	---	---	---
3	Sweat Equity	---	---	---	---
4	Commission	---	---	---	---
	- as % of profit	---	---	---	---
	others, specify...	---	---	---	---
5	Others, please specify – Retirals	2.60	0.32	0.45	3.37
	Total	60.87	5.64	5.82	72.33

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review, no Penalty was levied against the Company, its Directors or any of its Officers under the Companies Act, 2013 and also there was no Punishment or Compounding of offences against the Company, its Directors or any of its Officers.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance is a creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. At Elecon Engineering Company Limited (ELECON), it is imperative that our Company affairs are managed in a fair and transparent manner. We ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the governance of the Company.

Sound Corporate Governance is critical to enhance and retain trust of stakeholders. The Board of Directors of the Company fully supports Corporate Governance practices of the Company with appropriate checks and balances at right places and at right intervals.

A Report on compliance with the principle of Corporate Governance as prescribed by the Securities and Exchange Board of India in chapter IV read with schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [herein after referred as "SEBI (LODR) Regulations, 2015"] is as under.

1. Board of Directors

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and also exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and society's expectations.

The Company is managed by the Board of Directors consisting highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director manages the business of the Company under the overall supervision, guidance and control of the Board.

Composition

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises 8 (Eight) Directors out of which 6 (Six) Directors (75%) are Non-Executive Directors. The Company has an Executive Chairman and 5 (five) Independent Directors including 1 (one) woman Director comprise more than half (63%) of the total Board strength. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of the stakeholders and the Company.

None of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a Director as per Regulation 26 of SEBI (LODR) Regulations, 2015. Necessary disclosures have been made by each Director.

The composition of Board of Directors and the number of Directorships and committee positions held by them as on 31st March, 2016 are as under:

Name and Designation (DIN) of Director(s)	Category	No. of other Directorships held	No. of Board Committees in which Chairman / Member	
			Chairman	Member
Shri Prayasvin B. Patel Chairman & Managing Director (DIN : 00037394)	Non-Independent & Executive Director	8	--	--
Shri Prashant C. Amin Executive Director (DIN : 01056652)	Non-Independent & Executive Director	9	--	1
Shri Pradip M. Patel (DIN : 00012138)	Non-Independent & Non-Executive Director	4	--	3
Shri Hasmukhlal S. Parikh (DIN : 00127160)	Independent Non-Executive Director	3	1	4
Shri Chirayu R. Amin (DIN : 00242549)	Independent Non-Executive Director	6	2	--
Shri Jal R. Patel (DIN : 00065021)	Independent Non-Executive Director	4	3	2
Shri Jai S. Diwanji (DIN : 00910410)	Independent Non-Executive Director	2	--	1

Dr. Sonal V. Ambani (DIN : 02404841)	Independent Non-Executive Director	1	--	--
Shri Rakesh Makhija (DIN : 00117692) (from 14.08.2015 to 27.11.2015)	Independent Non-Executive Director	N.A	N.A	N.A

Notes:

1. The Directorships held by the Directors, as mentioned above, excludes directorship held in the Company, alternate directorships, directorships in foreign companies, companies under Section 8 of the Companies Act, 2013 and private Limited Companies which are not the subsidiaries of Public Limited Companies.
2. Represents Membership / Chairmanship of two committees viz. Audit Committee and Stakeholders Relationship Committee as per SEBI (LODR) Regulations, 2015.
3. As on 31st March, 2016, none of the Directors of the Company were related to each other except Shri Pradip M. Patel is Shri Prayasvin B. Patel's Sister's husband.

BOARD MEETINGS AND PROCEDURES

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

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

(B) Recording minutes of proceedings at the Board Meeting

The Minutes of the proceedings of each Board Meeting is recorded and the same is sent to all Directors for their comments, if any. The said minutes are getting approved at the next Board Meeting. Thereafter, the minutes are entered in the minute's book and the same are signed by the Chairman as prescribed in the Companies Act, 2013.

(C) Compliance

The Company Secretary is responsible for preparation of Agenda papers for the meetings and is required to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013, Companies Act, 1956, SEBI Guidelines, SEBI (LODR) Regulations, 2015, and other statutory requirements pertaining to capital market. The Board of Directors reviews quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS

During the year 2015-16, 4 (four) Board Meetings were held on 1st May, 2015, 14th August, 2015, 28th October, 2015, and 29th January, 2016. The Company has held at least one Board Meeting in every quarter and the gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to concerned directors who could not attend the respective Board Meeting.



The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Directors	No. of Board Meetings held during the tenure of Directorship	No. of Board Meetings Attended	Attendance at Last AGM
Shri Prayasvin B. Patel	4	4	Yes
Shri Prashant C. Amin	4	4	Yes
Shri Pradip M. Patel	4	4	Yes
Shri Hasmukhlal S. Parikh	4	4	Yes
Shri Chirayu R. Amin	4	4	Yes
Shri Jal R. Patel	4	3	Yes
Shri Jai S. Diwanji	4	3	No
Dr. Sonal V. Ambani	4	4	Yes
Shri Rakesh Makhija (from 14.08.2015 to 27.11.2015)	1	1	N.A.

The Company did not have any material pecuniary relationship or transactions with the Independent Non-Executive Directors during the year 2015-16.

(D) Disclosure regarding Directors retiring by rotation and being re-appointed:

Shri Pradip M. Patel, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Shri Pradip M. Patel retiring by rotation eligible for re-appointment at the ensuing Annual General Meeting of the Company is given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Appointment of Independent Directors

On appointment of new independent directors, Company issues formal letter of appointment to independent directors describing their duties, responsibilities etc.

The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company at <http://elecon.com/wp-content/uploads/2016/06/Terms-Conditions-for-Appointment-of-Independent-Directors.pdf>.

(F) Separate meeting of Independent Directors

Separate meeting of Independent Directors were held on 1st May, 2015 to evaluate the performance of Non-Independent Directors and the Board as a whole as well as the performance of the Chairman of the Company. In that meeting, Independent Directors have reviewed the flow and availability of information from the Management to the Board.

(G) Familiarisation Programme for Independent Directors

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

Further it is informed that the familiarization programme for Independent Directors of the Company was held on 28th October, 2015. The detail of such programme is also updated on the Company's website at <http://elecon.com/index.php/investor-relations>.

(H) Code of Conduct

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company at <http://elecon.com/wp-content/uploads/2016/06/Code-of-Conduct.pdf>. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended 31st March, 2016.

During the Financial Year under review, SEBI revised the regulations pertaining to Prohibition of Insider Trading and notified the SEBI (Prohibition of Insider Trading) Regulations 2015. In accordance with the revised regulations, the Company has, interalia, adopted a Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information duly approved by the Board of Directors of the Company at their meeting held on 1st May, 2015.

The Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is posted on the website of the Company at http://elecon.com/wp-content/uploads/2015/05/Revised_code_ELECON_2015.pdf.

The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to "Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

(I) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behavior / practices. Employees use this channel to report concerns related to discrimination, retaliation and harassment, and are assured of complete anonymity and confidentiality. During the year under review, no such cases were reported and no personnel has been denied access to the Audit Committee.

The details of such mechanism is communicated to all the directors and employees and the Whistle blower policy is also uploaded on the website of the Company at <http://elecon.com/wp-content/uploads/2014/09/WBP-EECL.pdf>.

(J) CEO / CFO Certificate

The Managing Director/CEO and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of SEBI (LODR) Regulations, 2015.

(K) Policy for Determining Material Subsidiary

The Company has adopted policy for determining material subsidiaries and material non-Listed subsidiary of the Company and to provide the governance framework for them. The Company's policy on "material subsidiary" is placed on the Company's website and can be accessed through weblink <http://elecon.com/wp-content/uploads/2016/06/Policy-on-Material-Subsidiary.pdf>.

2. COMMITTEES OF BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all the committees are placed before the Board for review.

As on date the Board has established the following committees.

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility (CSR) Committee
- E. Risk Management Committee
- F. Management Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing, and financial reporting process including review of the internal audit reports and action taken report.

The terms of reference and role of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The Audit Committee comprises of experts specializing in accounting/financial management. The Chairman of the Audit Committee, Shri Jal R. Patel is a Non - Executive and Independent Director. The Audit Committee of the Company as on 31st March, 2016 comprises of the following Directors:

Name of Directors	Designation	Category
Shri Jal R. Patel	Chairman	Non-Executive & Independent Director
Shri Hasmukhlal S. Parikh	Member	Non-Executive & Independent Director
Shri Chirayu R. Amin	Member	Non-Executive & Independent Director
Shri Pradip M. Patel	Member	Non-Executive & Non- Independent Director



The Audit Committee met Four times on the following dates during the last financial year:

01-05-2015	14-08-2015	28-10-2015	29-01-2016
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Attendance at Audit Committee Meetings:

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Shri Jal R. Patel	4	3
Shri Hasmukhlal S. Parikh	4	4
Shri Chirayu R. Amin	4	4
Shri Pradip M. Patel	4	4

The CFO, Statutory Auditors, Internal Auditors are permanent invitees to the meeting and attended & participated at the meetings of the Committee. The Company Secretary of the Company acts as a Secretary of the Committee. The Chairman of the Audit Committee attended the last Annual General Meeting (AGM) held on 14th August, 2015.

Shri Jal R. Patel, Chairman of the Audit Committee was unable to remain present at the meeting held on 29th January, 2016, hence members who were present at the meeting elected Shri Hasmukhlal S. Parikh to chair the Audit Committee Meeting held on 29th January, 2016.

The minutes of Audit Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meeting.

B. Nomination and Remuneration Committee

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of Companies Act, 2013, and Regulation 19 of SEBI (LODR) Regulations, 2015.

Terms of reference of Nomination and Remuneration Committee are as under :-

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of Independent Directors and the Board;
- (3) Devising a policy on Board diversity;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee of the Company as on 31st March, 2016 comprises of the following Directors:

Name of Directors	Designation	Category
Shri Hasmukhlal S. Parikh	Chairman	Non-Executive & Independent Director
Shri Chirayu R. Amin	Member	Non-Executive & Independent Director
Shri Pradip M. Patel	Member	Non-Executive & Non-Independent Director

The Nomination and Remuneration Committee met twice on the following dates during the last financial year:

14-08-2015	29-01-2016
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Attendance at Nomination and Remuneration Committee Meetings:

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Shri Hasmukhlal S. Parikh	2	2
Shri Chirayu R. Amin	2	2
Shri Pradip M. Patel	2	2

The Company Secretary of the Company acts as a Secretary to the Committee.

The minutes of Nomination & Remuneration Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

(I) Nomination & Remuneration Policy

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is uploaded on the website of the Company at <http://elecon.com/wp-content/uploads/2016/06/Policy-on-NR.pdf>.

The Remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee within the permissible limits of the Companies Act, 2013 for approval by Board and shareholders.

The Company's remuneration policy is driven by the success and performance of the managerial personnel. While reviewing the remuneration of managerial personnel, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

(II) Performance Evaluation :-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Individual Directors and the Board. The framework of performance evaluation of the Independent Directors will capture the following points:

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

The evaluation was carried out by means of the replies given / observations made by all the Independent Directors on the set of questions developed by them which brought out the key attributes of the Directors quality of interactions among them and its effectiveness.

(III) Remuneration of Directors

a. Non-Executive Directors

The Company will pay commission on annual basis @ ₹ 5,00,000 to each Non-Executive Directors for the year ended on 31st March, 2016 after the Annual General Meeting to be held on 26th July, 2016. The Non-Executive Directors do not draw any remuneration from the Company other than the aforesaid commission and sitting fees. The Company pays the sitting fees to each Non-Executive Director at the rate of ₹ 25,000/- for attending each Board Meeting & Audit Committee Meeting, ₹ 10,000/- for Management Committee Meeting, ₹ 7,500/- for Nomination & Remuneration Committee Meeting, ₹ 5,000/- for each CSR Committee Meeting, Stakeholders Relationship Committee Meeting & Risk Management Committee Meeting. The sitting fees & commission paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2015-16 is as follows:



(₹ in Lacs)

Name of Directors	Sitting Fees for 2015-16	Commission for the year 2015-16	Total
Shri Pradip M. Patel	2.20	5.00	7.20
Shri Chirayu R. Amin	2.20	5.00	7.20
Shri Hasmukhlal S. Parikh	2.25	5.00	7.25
Shri Jal R. Patel	1.50	5.00	6.50
Shri Jai S. Diwanji	0.75	5.00	5.75
Dr. Sonal V. Ambani	1.00	5.00	6.00
Shri Rakesh Makhija (from 14.08.2015 to 27.11.2015)	0.25	N.A	0.25

Note: The above Sitting Fees excludes re-imbursement of the expenses incurred by Directors to attend the Meetings. Commission related to the Financial Year ended on 31st March, 2016. This will be paid after the Annual General Meeting to be held on 26th July, 2016.

b. Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Managing Director and by way of salary, perquisites and allowances to the Executive Director.

The remuneration paid to the Managing Director and Executive Director for the year 2015-16 is as follow:

(₹ in Lacs)

Name of Directors	Salary	Perquisites*	Commission	Total
Shri Prayasvin B. Patel	313.33	6.94	--	320.27
Shri Prashant C. Amin	185.78	6.00	--	191.78

Note: * Monetary value of perquisites is in accordance with provision of Income Tax Act, 1961.

The payment of aforesaid remuneration is in accordance with the permission granted by the Central Government for payment of managerial remuneration.

There is no separate provision for payment of severance fees under the regulations governing the appointment of Chairman & Managing Director and Executive Director.

The Company has not granted any stock options to the aforesaid Executive Directors or Employees of the Company.

The aforesaid Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

C. Stakeholders Relationship Committee

The constitution and terms of reference of Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

Terms of Reference:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of Investors' / Shareholders' / Security Holders' Grievances.
3. Oversee the performance of the Company's Registrar & Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as may be referred by the Board from time to time or endorsed by any statutory notification / amendment or modifications as may be applicable.

The Committee places a certificate of Registrar & Transfer Agent about the details of complaints received and their disposal during the quarter.

The Stakeholders Relationship Committee of the Company as on 31st March, 2016 comprises of the following Directors:

Name of Directors	Designation	Category
Shri Chirayu R. Amin	Chairman	Independent & Non-Executive Director
Shri Hasmukhlal S. Parikh	Member	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director

The Stakeholders Relationship Committee met once during the Financial Year on 1st May, 2015.

Attendance at Stakeholders Relationship Committee Meeting:

Name of Directors	No. of Meeting Held	No. of Meeting Attended
Shri Chirayu R. Amin	1	1
Shri Hasmukhlal S. Parikh	1	1
Shri Pradip M. Patel	1	1

The Company Secretary of the Company acts as a Secretary to the Committee.

The minutes of Stakeholders Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Report on Communication received from the Investors during the year 2015-2016:

Nature of Queries (Correspondence)	Total Received	Total Replied	Pending	Remark
Inquiry pertaining to Non-Receipt of Shares	3	3	-	-
Inquiry on Dematerialization of Shares	1	1	-	-
Name Correction/Deletion	12	12	-	-
Address Correction	27	27	-	-
Letter Received from SEBI/Other Statutory Bodies	0	0	-	-
Loss of Shares & Issue of Duplicate Share	23	23	-	-
Split/Consolidation of Shares	0	0	-	-
Transmission of Shares	14	14	-	-
Demat	0	0	-	-

Redressal of Investor Grievances

The Company and its Registrar & Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

During the year under review, a total of 80 investors' complaints / correspondences were received and resolved. There was no unattended or pending investor grievance as on 31st March, 2016.

D. Corporate Social Responsibility (CSR) Committee

The Company has constituted CSR Committee as per the provisions of Section 135 of Companies Act, 2013 and rules framed there under.

The CSR Committee of the Company as on 31st March, 2016 comprises of the following Directors:



Name of Directors	Designation	Category
Shri Hasmukhlal S. Parikh	Chairman	Independent & Non-Executive Director
Shri Prayasvin B. Patel	Member	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Executive Director

The CSR Committee met once during the Financial Year on 1st May, 2015.

Attendance at CSR Committee Meeting:

Name of Directors	No. of Meeting Held	No. of Meeting Attended
Shri Hasmukhlal S. Parikh	1	1
Shri Prayasvin B. Patel	1	1
Shri Prashant C. Amin	1	1

The Company Secretary acts as a secretary to the Committee.

The Board of Directors review the Minutes of the CSR Committee meetings at subsequent Board Meetings.

E. Risk Management Committee

Even though it is not mandatory for the Company, your Company has constituted a Risk management Committee. The Committee laid down the procedures to inform the Board about the risk assessment and mitigation about risks.

The Risk Management Committee comprises of the following persons:

Name of Persons	Designation	Category
Shri Prayasvin B. Patel	Chairman	Promoter Director
Shri Prashant C. Amin	Member	Executive Director
Shri V. B. Kalyankar (Upto 29 th January, 2016)	Member	CEO
Shri Rajkumar Pania (Wef 29 th January, 2016)	Member	Business Support Management

The Company Secretary acts as a secretary to the Committee.

The Board of Directors review the minutes of the Risk Management Committee Meetings at subsequent Board Meetings.

During the year under review, no meeting of the Risk Management Committee was held.

F. Management Committee

In addition to the above Committees, the Board has constituted a Management Committee comprising of following Directors to transact certain routine but urgent businesses:

Name of Director	Designation
Shri Prayasvin B. Patel	Chairman
Shri Prashant C. Amin	Member
Shri Chirayu R. Amin	Member
Shri Jal R. Patel	Member

No Meeting of the Management Committee were held during the year under review.

3. Details of General Meetings

Location, date and time of Annual General Meetings held during last 3 years:

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolution Passed
2012-13	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	26-08-2013	Monday	11.00 a.m.	2
2013-14	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	04-08-2014	Monday	02.30 p.m.	5
2014-15	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	14-08-2015	Friday	04.00 p.m.	3

Postal Ballot

During the year under review, no Resolutions were passed through Postal Ballot process.

Special resolutions proposed to be conducted through Postal Ballot

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

Procedure for Postal Ballot

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility has been provided to all members, to enable them to cast their votes electronically. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical ballot or e-voting.

Subsidiary Companies

The Company has 15 Direct & Indirect subsidiary companies including one material non-listed Indian Subsidiary – M/s. Elecon EPC Projects Limited and nominated an Independent Director of the Company on the Board of that subsidiary.

The subsidiaries of the Company function with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Company monitors performance of subsidiary companies, inter alia, by following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of unlisted subsidiary companies are placed before the Board of the Company regularly.
- A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings. The risk factors and project reports of the Subsidiary Companies are also reviewed by the Audit Committee of the Company.

Disclosures on Materially significant related party transactions

Full disclosure of related party transactions as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are given in the Notes to Financial Statements.

Details of Non-compliance by the Company and penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any Statutory Authorities on any matter related to capital market during the last three years

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to Capital Market during the last three years.

All Returns/Reports were filed within stipulated time with Stock Exchanges/other authorities.

No penalties or strictures were imposed by SEBI, Stock Exchanges or any Statutory Authorities for any matter relating to Capital Market during the last three years.



Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in the Notes to Financial Statements.

Dividend History

Year	Rate (%)	Per Share (₹)	Amount (₹ in Lacs)
2008-2009	75%	1.50	1392.92
2009-2010	75%	1.50	1392.92
2010-2011	90%	1.80	1671.51
2011-2012	90%	1.80	1671.51
2012-2013	50%	1.00	1089.36
2013-2014	50%	1.00	1089.36
2014-2015	55%	1.10	1198.29
2015-2016*	55%	1.10	1198.29

*Subject to the approval by members at the Annual General Meeting.

Stock Options

The Company has not issued any Stock options to its Directors/Employees.

4. Means of Communication

a) Quarterly, Half-yearly and Annual Results:

The quarterly/ half yearly and annual financial statements are normally published in prominent daily newspapers viz. The Economic Times, Financial Express, The Business Standard, The Hindu Business Line, Naya Padkar having wide circulation across the country and also displayed on the website of the Company on www.elecon.com.

- b) The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the investors.
- c) The Company's financial results and official news releases and the presentation made to the investors, financial analyst are displayed on the Company's website www.elecon.com.
- d) Management Discussion and Analysis Report is attached with the Directors Report in this Annual Report.

5. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time : Tuesday, 26th July, 2016 at 5:00 p.m.

Venue : Audio Visual Hall, Eimco Elecon Building,
Anand-Sojitra Road,
Vallabh Vidyanagar – 388 120, Gujarat.

b) Financial Calendar : April 01 to March 31

c) Date of Book Closure : Wednesday, 20th July, 2016 to Monday, 25th July, 2016
(both days inclusive)

d) Dividend Payment Date : Credit/dispatch of Dividend Warrants on or after Saturday, 30th July, 2016

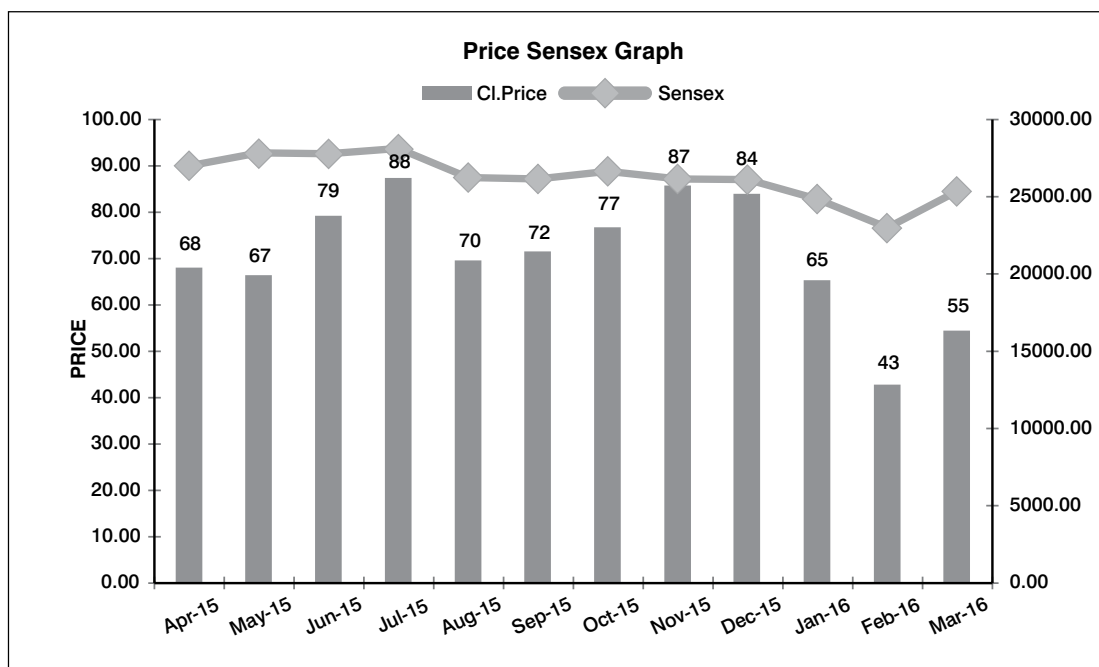
e) Listing on Stock Exchange : The Company's securities are listed at the
BSE Limited, Mumbai
(Stock Code: 505700)
The National Stock Exchange of India Limited, Mumbai
(Stock Code: ELECON)
The Company has paid the Annual Listing fees to the Stock Exchanges for the
Financial Year 2016 -17.

f) Demat ISIN in NSDL and CDSL for Equity Shares: INE 205B01023

g) Stock Market Price Data : Monthly share price movement during the year 2015-16 at BSE & NSE

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April – 2015	80.20	60.75	10,512,328	80.45	60.80	30,432,741
May – 2015	71.70	61.05	4,260,522	71.65	61.15	10,165,885
June– 2015	84.25	58.25	7,703,341	84.20	58.50	20,375,481
July – 2015	95.40	75.10	11,194,477	95.35	75.00	27,842,995
August – 2015	97.00	62.50	5,862,918	96.90	62.15	15,002,765
September – 2015	75.10	61.80	2,130,560	74.80	62.00	6,165,074
October – 2015	84.10	71.40	4,010,327	84.00	71.30	11,795,693
November – 2015	90.60	73.55	2,920,364	90.70	73.55	9,519,585
December – 2015	92.75	80.05	2,519,141	92.85	80.40	6,994,884
January – 2016	85.75	61.20	1,424,425	85.80	61.00	3,872,315
February–2016	71.10	42.70	2,163,289	70.90	42.55	6,185,601
March-2016	59.15	43.55	2,710,564	59.20	43.45	6,472,888

Performance in comparison to board-based indices such as BSE Sensex



h) Share Registrar & Transfer Agent:

The Company has appointed following Registrar & Transfer Agent for Physical Transfer & Demat of the Shares:

M/s. Link Intime India Pvt. Ltd.
 B-102/103, Shangrila Complex,
 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta,
 Akota, Vadodara - 390 020
 Email: vadodara@linkintime.co.in
 Phone: 0265-2356573, 2356794,
 Fax.: 0265-2356791

Contact Person: Shri Alpesh Gandhi

Shareholders are requested to correspond directly with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.



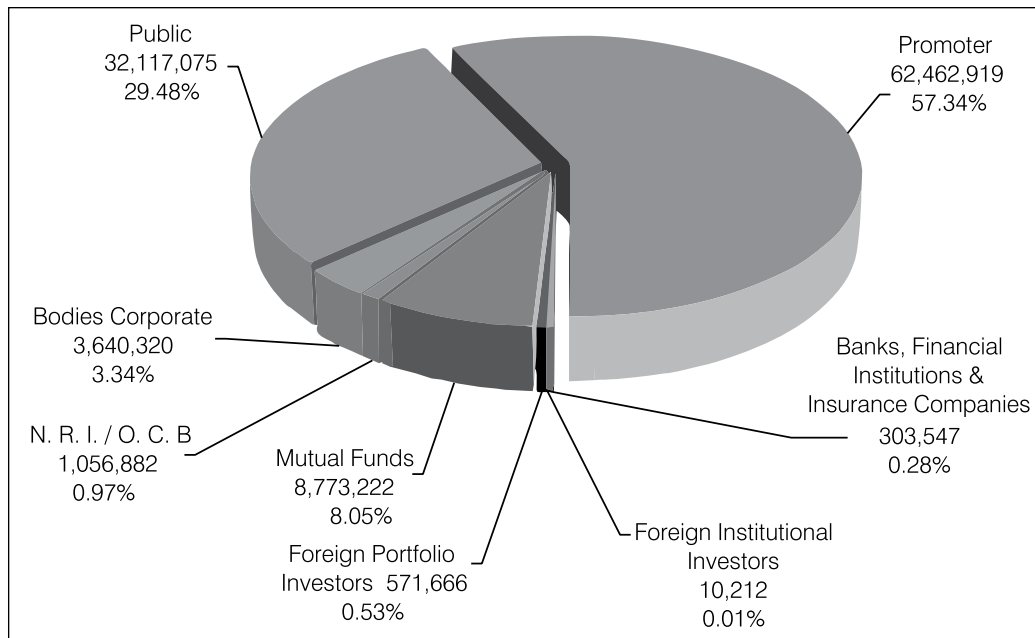
i) **Share Transfer System :**

The Company's Shares are in compulsory Demat List and are transferable through the Depository system. Demat transfers as well as physical transfers are handled by Link Intime India Pvt. Ltd. having their registered office at C-13, Pannalal Silk Mill's Compound, LBS Marg, Bhandup (West), Mumbai – 400 078.

j) **Shareholding pattern as on 31st March, 2016**

Category	No. of Shares held	(%) of total
Promoters	62,462,919	57.34
Banks, Financial Institutions and Insurance Companies	303,547	0.28
Foreign Institutional Investors	10,212	0.01
Foreign Portfolio Investors	571,666	0.53
Mutual Funds	8,773,222	8.05
N.R. I. / O.C. B.	1,056,882	0.97
Bodies Corporate	3,640,320	3.34
Public	32,117,075	29.48
TOTAL	108,935,843	100.00

Shareholding Pattern



k) Distribution of Shareholding as on 31st March, 2016

Category	No. of Shareholders	Percentage	No. of shares	Percentage
1 - 500	38,736	81.32	6,492,006	5.96
501 - 1000	4,140	8.69	3,405,213	3.12
1001 - 2000	2,242	4.70	3,408,288	3.13
2001 - 3000	828	1.74	2,138,023	1.96
3001 - 4000	394	0.83	1,410,986	1.30
4001 - 5000	322	0.68	1,504,051	1.38
5001 - 10000	530	1.11	3,895,451	3.58
Above 10001	442	0.93	86,681,825	79.57
TOTAL	47,634	100.00	108,935,843	100.00

l) Dematerialization of Shares and Liquidity

As on 31st March 2016, 10,60,77,458 Shares were in dematerialized form representing 97.38 % of Total Shares. The Company's shares are traded on The BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

m) Outstanding GDRs/ADRs/Warrants or any other convertible Instruments, conversion date and likely impact on equity as on 31st March, 2016:

There is no outstanding GDRs/ADRs/Warrants or any other Convertible Instruments as on 31st March, 2016.

n) Unclaimed Dividend

As per the provisions of Section 124 read with Section 125 of Companies Act, 2013 Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer the unpaid dividend remained unclaimed and unpaid for a period of seven years from the due dates to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Here below are the proposed dates for transfer of the unpaid dividend to IEPF by the Company.

Financial Year	Date of declaration	Proposed date for transfer to IEPF*	Amount lying unpaid (₹) in lacs as on 31.03.2016
2008-2009	30-07-2009	29-08-2016	15.50
2009-2010	04-08-2010	04-09-2017	19.04
2010-2011	29-08-2011	28-09-2018	22.07
2011-2012	31-07-2012	30-08-2019	28.09
2012-2013	26-08-2013	25-09-2020	11.42
2013-2014	04-08-2014	03-09-2021	12.28
2014-2015	14-08-2015	13-09-2022	13.88
Total amount lying unpaid as on March 31, 2016			122.28

* Indicative dates, actual dates may vary.

o) ECS/NECS Facilities

The Company uses National Electronic Clearing Services (NECS) which has replaced "Electronic Clearing Services" (ECS) for remitting dividend to shareholder wherever available. The advantage of NECS over ECS including faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS operates on new and unique bank account number allotted by the banks post implementations of Core Banking Solutions (CBS). Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS to the Company in case shares are held physically and to the depository participants in respect of shares held by them in dematerialized form.



p) Unclaimed Shares

At the beginning of the year as on 1st April, 2015 aggregate 4,48,435 Nos. (Four Lacs Forty Eight Thousand Four Hundred Thirty Five) Equity Shares of ₹ 2/- each was lying unclaimed in Elecon Engineering Co. Ltd. – Unclaimed Suspense Account. During the year Ten (10 Nos.) shareholders have claimed total 4,565 Nos. (Four Thousand Five Hundred Sixty Five) Equity Shares of ₹ 2/- each and the Closing balance of Unclaimed Suspense Account as on 31st March, 2016 was 4,43,870 Nos. (Four Lacs Forty Three Thousand Eight Hundred Seventy) Equity Shares of ₹ 2/- each and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

q) Plant Locations : Works

1. Gear Division
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120. Gujarat.
2. Alternate Energy Division
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120. Gujarat.

Address of Regd. Office : Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120. Gujarat.

Internet Website : www.elecon.com

Address for Correspondence :

The Shareholders may address their communications/suggestions/grievances/queries to :

Shri Parthiv Parikh

Company Secretary and Compliance Officer
Elecon Engineering Company Limited
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, Tal. & Dist. Anand (Gujarat).
Tel No. (02692) 227109, 230166, Fax No. (02692) 227020, 227484
Email address : investor.relations@elecon.com

6. COMPLIANCE WITH MANDATORY / DISCRETIONARY REQUIREMENTS

During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Agreement and SEBI (LODR) Regulations, 2015.

The status on the compliance with the discretionary requirements as specified in Listing Agreement and Part E of Schedule II of SEBI (LODR) Regulations, 2015 is as under:

- The Company's Standalone & Consolidated Financial Statements for the year ended on 31st March, 2016 are unmodified audit opinion.
- The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.
- The Company follows a robust process of communicating with the shareholders which has been explained in the Report under "Means of Communication".

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF
CORPORATE GOVERNANCE TO THE MEMBERS OF ELECON ENGINEERING COMPANY LIMITED**

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

We have examined the compliance of the conditions of Corporate Governance by **Elecon Engineering Company Limited for the year ended on 31st March, 2016** as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India from 1st April, 2015 to 30th November, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1st December, 2015 to 31st March, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, the Company has complied with the conditions of the Corporate Governance as stipulated in the above Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **THACKER BUTALA DESAI**
Chartered Accountants

M. T. DESAI
Partner

M. No. : 030911
Firm Regn. No. 110864W

Place : Vallabh Vidyanagar
Date : April 27, 2016



DECLARATION

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

I, Prayasvin B. Patel, Chairman and Managing Director and Chief Executive Officer of the Company, do hereby declare that the Directors (including Independent Director) and Senior Officers of the Company have exercised their authorities and powers and discharged their duties and functions in accordance with the requirement of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

For, Elecon Engineering Company Limited

Prayasvin B. Patel
Chairman and Managing Director
DIN : 00037394

Place : Vallabh Vidyanagar
Date : April 27, 2016

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill up the details in the form attached (refer page 137 of the Annual Report) and register the same with M/s. Link Intime India Pvt. Ltd., Vadodara. **Postage for sending the form will be borne by the Company.**

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
ELECON ENGINEERING COMPANY LIMITED
Vallabh Vidyanagar - 388 120.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **ELECON ENGINEERING COMPANY LIMITED** (the "Company"), which comprise the Balance Sheet as at **March 31, 2016**, 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 Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at **March 31, 2016**;
- (b) in the case of the **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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 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;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on **March 31, 2016**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2016**, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. in our opinion, the Company has, in all material respects, an adequate internal financial control with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **THACKER BUTALA DESAI**

Chartered Accountants
Firm Regn. No. 110864W

M. T. DESAI

Partner

Membership No. : 030911

Place : Vallabh Vidyanagar

Date : April 27, 2016



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) We have been informed that, a portion of the Fixed Assets have been physically verified by the management during the year in accordance with a programme of verification in a phased manner and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, inventories were physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification have been properly dealt with in the books of account of the Company.
- (iii) (a) The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated. The principal amounts are repayable on demand.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not invited deposits from the public during the year. Therefore, provisions of the clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, in respect of statutory dues, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, VAT, Service Tax, Cess and other material statutory dues applicable to it with appropriate authorities.
According to the information and explanations given to us, in respect of statutory dues, there were no undisputed amount payable in respect of Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, VAT, Service Tax, Cess and other material statutory dues in arrears as at **March 31, 2016** for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, the Company has not paid the following statutory dues on account of the demand being disputed by the Company:

Sr. No.	Name of Statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where the Dispute is pending
1.	Central Excise Act, 1944 and Service Tax Act	Excise Duty, Service Tax & Penalties	1552.51 Lacs	2004-05 to 2014-15	C.E.S.T.A.T Ahmedabad
2.	Central Excise Act, 1944 and Service Tax.	Excise Duty, Service Tax & Penalties	64.67 Lacs	2003-08 to 2009-13	Central Excise Commissioner (Appeal) Vadodara
3.	Central Sales Tax Act, 1956 & Sales Tax Acts of various States.	Sales Tax / Work Contract Tax	653.97 Lacs	2007-11	Commissioner of Commercial tax (Appeal) Vadodara

- (viii) According to our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to any Financial Institution and Bank. The Company has not issued any Debenture during the year under review.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been utilized for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per information and explanations given by the management, no material frauds on or by the Company were noticed or reported during the year under review.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) This clause of the CARO 2016 is not applicable to the Company as the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **THACKER BUTALA DESAI**
Chartered Accountants

M. T. DESAI
Partner

Membership No. : 030911
Firm Regn. No. 110864W

Place : Vallabh Vidyanagar
Date : April 27, 2016



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **ELECON ENGINEERING COMPANY LIMITED** ("the Company") as of **March 31, 2016** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **THACKER BUTALA DESAI**
Chartered Accountants

M. T. DESAI
Partner

Place : Vallabh Vidyanagar
Date : April 27, 2016

Membership No. : 030911
Firm Regn. No. 110864W

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	Notes	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	2,178.72	2,178.72
(b) Reserves and Surplus	4	51,733.22	48,860.25
		53,911.94	51,038.97
2) NON - CURRENT LIABILITIES			
(a) Long-Term Borrowings	5	13,092.92	8,926.15
(b) Deferred Tax Liabilities (Net)	6	2,854.65	3,280.32
(c) Other Long Term Liabilities	7	62.38	106.83
(d) Long-Term Provisions	8	194.23	243.16
		16,204.18	12,556.46
3) CURRENT LIABILITIES			
(a) Short-Term Borrowings	9	16,103.16	13,844.41
(b) Trade Payables		22,964.86	20,870.44
(c) Other Current Liabilities	10	5,862.41	5,625.09
(d) Short-Term Provisions	11	1,569.50	1,625.12
		46,499.93	41,965.06
TOTAL		116,616.04	105,560.49
II. ASSETS			
1) NON - CURRENT ASSETS			
(a) Fixed Assets	12		
(i) Tangible Assets		30,292.96	32,906.71
(ii) Intangible Assets		332.46	456.15
(iii) Capital Work-in-Progress		622.61	199.21
		31,248.03	33,562.07
(b) Non-Current Investments	13	23,421.72	19,924.15
(c) Long-Term Loans and Advances	14	1,281.81	1,540.28
(d) Other Non-Current Assets	15	79.31	79.31
		56,030.87	55,105.81
2) CURRENT ASSETS			
(a) Inventories	16	13,897.96	13,022.26
(b) Trade Receivables	17	28,030.78	22,675.62
(c) Cash and Bank Balances	18	1,056.36	305.68
(d) Short-Term Loans and Advances	19	4,989.93	1,691.99
(e) Other Current Assets	20	12,610.14	12,759.13
		60,585.17	50,454.68
TOTAL		116,616.04	105,560.49

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Notes	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Revenue from operations	21		
(a) Sale of Products (Gross)		56,030.07	53,448.01
Less : Excise Duty		(4,982.85)	(4,020.26)
Sale of Products (Net)		51,047.22	49,427.75
(b) Sales of Services		467.18	350.67
(c) Other Operating Revenues		369.98	540.82
Total (a+b+c)		51,884.39	50,319.24
II. Other Income	22	3,903.05	2,267.74
III. Total Revenue (I + II)		55,787.44	52,586.98
IV. Expenses:			
(a) Cost of Materials Consumed	23	23,963.37	21,563.18
(b) Changes in Inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(2,094.95)	1,288.57
(c) Manufacturing Expenses and Erection Charges	25	5,566.58	4,841.71
(d) Employee Benefits Expenses	26	4,849.55	3,691.72
(e) Research and Development expenses	27	328.52	218.17
(f) Finance Costs	28	3,537.73	2,995.03
(g) Depreciation and Amortization Expenses		4,710.19	5,158.37
(h) Other Expenses	29	8,803.89	8,065.55
Total Expenses (a to h)		49,664.89	47,822.29
V. PROFIT BEFORE EXCEPTIONAL ITMES & TAX (III-IV)		6,122.55	4,764.69
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE TAX (V-VI)		6,122.55	4,764.69
VIII. Tax Expenses :			
(a) Current Tax		2,242.11	2,076.27
(b) Deferred Tax		(425.67)	(630.16)
(c) Short/ (Excess) Provision of Earlier Years		(9.09)	-
IX. PROFIT AFTER TAX (VII-VIII)		4,315.20	3,318.58
X. Earnings per Equity Share :			
(1) Basic		3.96	3.05
(2) Diluted		3.96	3.05
Face Value Per Share (₹)		2.00	2.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI
Chartered Accountants

M. T. Desai
Partner
M. No. 030911
Firm Regi. No. 110864W

Place : Vallabh Vidyanagar
Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel
Chairman and Managing Director
DIN : 00037394

Rajat Jain
Chief Financial Officer

Place : Vallabh Vidyanagar
Date : 27-04-2016

Jal Patel
Director
DIN : 00065021

Parthiv Parikh
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31 st March, 2016		Year Ended 31 st March, 2015	
	Amount	Amount	Amount	Amount
[A] CASH FLOW FROM OPERATING ACTIVITIES				
1. Net Profit Before Tax		6,122.55		4,764.69
2. Adjustments for:				
(i) Depreciation and Amortisation	4,710.19		5,158.37	
(ii) Finance Cost	3,537.73		2,995.03	
(iii) Profit on Sale of Investments	(189.75)		-	
(iv) Profit on Sale of Fixed Assets (Net)	(2,189.96)		(951.03)	
(v) Interest Income	(106.66)		(114.35)	
(vi) Dividend Income	(49.86)		(39.65)	
(vii) Bad Debts Written Off	418.70	6,130.39	699.22	7,747.59
Operating Profit Before Working Capital Changes (1 + 2)		12,252.94		12,512.28
3. Adjustments for Working Capital changes :				
[i] Trade & Other Receivables				
* Trade Receivables	(5,773.86)		(6,512.79)	
* Loans and Advances	(760.47)		20,411.58	
[ii] Trade & Other Payables				
* Trade payables	2,094.42		14.41	
* Other payables	(3,012.60)		(2,316.85)	
[iii] Inventories	(875.70)	(8,328.22)	(897.23)	10,699.12
CASH GENERATED FROM OPERATIONS		3,924.72		23,211.40
4. Less : Direct Taxes Paid		(2,130.00)		(1,425.00)
NET CASH FROM OPERATING ACTIVITIES [A]		1,794.72		21,786.40
[B] CASH FLOW FROM INVESTING ACTIVITIES				
1. Purchase of Fixed Assets	(2,731.80)		(1,748.14)	
2. Sale of Fixed Assets	2,525.60		1,089.54	
3. Purchase of Investments	(3,510.57)		(16,217.27)	
4. Sale of Investments	202.75		-	
5. Interest Received	106.66		114.35	
6. Dividend Received	49.86		39.65	
NET CASH (USED IN) INVESTING ACTIVITIES [B]	(3,357.50)	(3,357.50)	(16,721.87)	(16,721.87)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31 st March, 2016		Year Ended 31 st March, 2015	
	Amount	Amount	Amount	Amount
[C] CASHFLOW FROM FINANCING ACTIVITIES				
1. Proceeds from Long Term Borrowings	7,500.00		9,969.70	
2. Repayments against Long Term Borrowings	(2,483.67)		(8,170.76)	
3. Short Term Borrowings (Net)	2,258.74		(2,779.30)	
4. Finance Cost Paid	(3,509.31)		(3,035.38)	
5. Dividends Paid (incl. tax thereon)	(1,452.31)		(1,179.16)	
NET CASH FROM FINANCING ACTIVITIES [C]	2,313.46	2,313.46	(5,194.89)	(5,194.89)
[D] NET INCR./(DECR.) IN CASH & CASH EQUIVALENTS [A+B+C]		750.69		(130.36)
[E] Cash & Cash Equivalents at the beginning of the year		305.68		436.04
[F] Cash & Cash Equivalents at the end of the year		1,056.36		305.68

1 Components of Cash & Cash Equivalents :-

Cash on Hand	0.07	0.10
Balances with Banks		
In Current Accounts	634.01	180.03
In Fixed Deposit Account	300.00	-
Unclaimed Dividend Account	122.28	125.55
	1056.36	305.68

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified in Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed Assets

- i) **Tangible Assets:** Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and attributable cost of bringing the Assets to its working condition for its intended use, but excludes Cenvat / Service Tax / VAT credit availed.
- ii) **Intangible Assets:** Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

b) Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest costs.

Financing costs relating to borrowed funds attributable to construction or acquisition of fixed assets for the period up to the completion of construction or acquisition of fixed assets are included in the cost of the assets to which they relate.

c) Depreciation & Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Plant & Machineries has been provided on the straight-line method and on written down value on all other fixed assets as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets are amortised using the Straight-Line Method over estimated useful life as under :-

- i) Software & Licenses : over a period of six (6) years
- ii) Technical Know-How : over a period of six (6) years from the date of actual production

d) Inventories

Inventories are valued at the lower of cost (e.g. on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-Progress and Finished Goods include appropriate proportion of overheads and, where applicable, excise duty.

The Cost of Inventories is arrived at on the following basis:

Raw Materials and Stores : Weighted Average Cost.

Stock-in-Process : Raw Materials at Weighted Average Cost & absorption of Labour and Overheads.



Finished Goods : Raw Materials at Weighted Average Cost & absorption of Labour and Overheads.

e) Investments

Investments are generally of long term nature and are stated at cost unless there is other than temporary diminution in their value as at the date of Balance Sheet.

Investments in overseas Associates / Subsidiary are stated at cost of acquisition.

f) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

g) Research and Development Expenses

All revenue expenditure related to R & D, including expenses in relation to development of product/processes, are charged to the Statement of Profit and Loss in the period in which they are incurred. Capital expenditure on research and development is classified separately under tangible/intangible assets and depreciated on the same basis as other fixed assets.

h) Revenue Recognition

- i) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customer, which is generally on dispatch of goods. Sales are net of discounts, VAT/ Sales tax and returns; Excise Duties collected.
- ii) Credits are taken for claims in respect of cost escalation and extra work as and when and to the extent admitted by customers.
- iii) Interest revenues are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Dividend from investments in Shares is accounted for when the right to receive dividend is established.
- v) Export incentives are accounted for as and when the claims thereof have been admitted by the authorities.
- vi) Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

i) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year-end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

j) Retirement Benefits

Defined Contribution Plan : The Company's contributions paid/payable for the year to Provident Fund and ESIC are charged to the Statement of Profit and Loss for the year.

Defined Benefit Plan : The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested.

Recognized immediately in the statement of profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

k) Impairment of Assets

Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

l) Accounting for Tax

- (a) Current Tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with applicable tax rates and the provisions of Income Tax Act, 1961.
- (b) Deferred Tax resulting from "timing differences" between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Net Deferred Tax Liability is arrived at after setting off Deferred Tax Assets.



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

3. SHARE CAPITAL

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Authorised Share Capital		
i) 22,50,00,000 (Previous Year 22,50,00,000) Equity Shares of ₹ 2/- each	4,500.00	4,500.00
ii) 2,50,00,000 (Previous Year 2,50,00,000) Cumulative Redeemable Preference Shares of ₹ 2/- each	500.00	500.00
Total	5,000.00	5,000.00
Issued Subscribed and Paid-up Capital		
10,89,35,843 Equity Shares of ₹ 2/- each (Previous Year 10,89,35,843 Equity Shares of ₹ 2/- each)	2,178.72	2,178.72
Total	2,178.72	2,178.72

(i) Rights, Preferences and Restrictions attached to Equity Shares :

The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of Shareholders holding more than 5 percent Equity Shares:

Particulars		As at 31 st March, 2016	As at 31 st March, 2015
Equity Shares of ₹ 2/- each fully paid			
(a) Emtici Engineering Limited	Nos.	25,783,669	26,775,669
	% Holding	23.67%	24.58%
(b) Prayas Engineering Limited	Nos.	11,166,394	11,166,394
	% Holding	10.25%	10.25%
(c) K. B. Investments Private Limited	Nos.	10,253,125	10,081,125
	% Holding	9.41%	9.25%
(d) Bipra Investments & Trusts Private Limited	Nos.	5,876,621	5,876,621
	% Holding	5.39%	5.39%

(iii) Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in Cash, Bonus Shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Equity Share allotted as fully paid up shares by virtue of schemes of arrangement	16,074,333	16,074,333

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

4. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Share Premium Account		
As per Last Financial Statements	2,878.14	2,878.14
Closing Balance	2,878.14	2,878.14
(b) General Reserve		
As per Last Financial Statements	42,632.76	41,132.76
Add : Transferred from Surplus in Statement of Profit and Loss	1,500.00	1,500.00
Closing Balance	44,132.76	42,632.76
(c) Surplus in Statement of Profit and Loss		
As per Last Financial Statements	3,349.35	2,979.80
Add : Transferred during the year from Statement of Profit and Loss	4,315.20	3,318.58
Less : Appropriations		
Proposed Dividend	1,198.29	1,198.29
Tax on Proposed Dividend	243.94	250.74
Transfer to General Reserve	1,500.00	1,500.00
Total Appropriations	2,942.23	2,949.03
Net Surplus in Statement of Profit and Loss	4,722.32	3,349.35
Total Reserves and Surplus	51,733.22	48,860.25

5. LONG-TERM BORROWINGS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Secured		
(a) Term loans		
- From Banks	-	381.03
- From Others	10,447.92	5,580.12
(b) Corporate Loans		
- From Banks	2,645.00	2,965.00
	13,092.92	8,926.15
(a) Nature of Securities For Term Loans & Corporate Loans		
i) Term Loans [(a) above] from others obtained GE Capital Limited is secured by exclusive charge by way of Hypothecation on specific assets. The same is further, secured by exclusive charge over commercial property of Emtici Engineering Limited at Pune, Maharashtra & Corporate Guarantee of Emtici Engineering Limited.		
ii) Term Loans [(a) above] obtained from Aditya Birla Finance Limited is secured by exclusive charge by way of:		
1. Exclusive Charge by way of registered Mortgage on Commercial Property at Bangalore,		
2. Exclusive Charge by way of registered Mortgage on Commercial Property at Rajkot.		
3. Exclusive Charge by way of Hypothecation on specific list of Assets of Elecon Engineering Company Limited & Elecon EPC Projects Limited.		
4. Exclusive Charge by way of Pledge of shares of Elecon Engineering Company Limited.		
5. Corporate Guarantee of Elecon EPC Projects Limited & Emtici Engineering Limited.		
6. DSRA equivalent of 2 immediate installment plus interest.		
iii) Corporate Loans [(b) above] granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Export Import Bank of India and IDBI Bank are secured by:-		
1. First Pari passu charge with all corporate loan lenders, over fixed assets of the Company including Plant & machinery but excluding assets specifically charged to other Term Lenders.		



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

2. First pari passu charge Registered Mortgage over land of the Company.
3. Second pari passu hypothecation charge over the Current Assets of the Company.
4. The same is, secured by Corporate Guarantee of Elecon EPC Projects Limited and Prayas Engineering Limited. Also, Corporate Guarantee of Emtici Engineering Limited was provided as security, however the same is waived by some of the consortium members including Lead Bank, SBI and other member banks are in the process of necessary approval for the waiver.
5. Non Disposal Undertaking for 13 land parcels situated at village Mogri bearing Survey No.114,153,154,155/P and land situated at Village Karamsad bearing Survey No.344,345,346/2,347/2,348/3, 368/P and 371/2.

(b) Terms of repayment of Term Loans and Other Loans

1. Terms Loans

(₹ in Lacs)

Lender	As at 31 st March, 2016	As at 31 st March, 2015	Terms of Repayment
(i) Indusind Bank Ltd.	-	381.03	Repayable in equated quarterly installments of ₹ 175.27 Lacs starting from November 2012
(ii) Aditya Birla Term Loan	6,000.00	-	Repayable in quarterly installments of ₹ 112.50 Lacs starting from May 2017 and ₹ 196.48 Lacs from May 2020.
(iii) GE Capital Term Loan	4,447.92	5,580.12	Repayable in quarterly installments starting from January 2015.
	10,447.92	5,961.15	

2. Corporate Loans

(₹ in Lacs)

Lender	As at 31 st March, 2016	As at 31 st March, 2015	Terms of Repayment
(i) State Bank of India	750.00	1,050.00	Repayable in quarterly installments of ₹ 75.00 Lacs starting from October 2015.
(ii) Exim Bank	520.00	1,040.00	Repayable in quarterly installments of ₹ 130.00 Lacs starting from December 2015.
(iii) IDBI Bank	625.00	875.00	Repayable in quarterly installments of ₹ 62.50 Lacs starting from October 2015.
(iv) Bank of Baroda	750.00	-	Repayable in quarterly installments of ₹ 187.50 Lacs starting from May 2016.
	2,645.00	2,965.00	

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

6. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Deferred Tax Liabilities		
In respect of difference between book & Tax W. D. V.	3,009.32	3,434.99
(b) Deferred Tax Assets		
In respect of disallowance under the Income Tax Act.	(154.67)	(154.67)
Net Deferred Tax Liability	<u>2,854.65</u>	<u>3,280.32</u>

7. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Deposits	62.38	106.83
	<u>62.38</u>	<u>106.83</u>

8. LONG-TERM PROVISIONS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for Employee Benefits: Provision for Leave Encashment	194.23	174.09
(b) Provision for Income tax (Net of Advance Tax paid)	-	69.07
	<u>194.23</u>	<u>243.16</u>

9. SHORT-TERM BORROWINGS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Secured		
(a) Loans Repayable on Demand: Working Capital Loans - From Banks	12,992.35	12,962.75
Unsecured		
(a) Working Capital Loans - From Banks (Including Commercial Paper)	3,110.81	864.66
(b) Other Loans - From Related Parties	-	17.00
	<u>16,103.16</u>	<u>13,844.41</u>

(i) Nature of Securities {(a) Loans repayable on demand}

Working Capital Loans from banks granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Export Import Bank of India, HDFC Bank, IDBI Bank, Axis Bank Limited, Standard Chartered Bank & Indusind Bank Limited (Including guarantees issued by them in favour of various clients of the Company) are secured by:-

- 1) First Pari Passu hypothecation charge over all the Current Assets of the Company,
- 2) First Pari Passu hypothecation charge over Fixed Assets of the Company including Plant & Machinery excluding certain assets specifically/ exclusively charged to other banks/ financial institutions,
- 3) Registered Mortgage on the immovable properties,
- 4) Registered Mortgage, on first pari passu basis, of land bearing Survey No.365 & 366 of Prayas Engineering Limited.



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

- 5) Pledge of 100,000 shares of Eimco Elecon (I) Limited owned by the Company.
- 6) Non Disposal Undertaking for 13 land parcels situated at village Mogri bearing Survey No.114, 153, 154, 155/P and land situated at Village Karamsad bearing Survey No. 344, 345, 346/2, 347/2, 348/3, 368/P and 371/2.
- 7) Corporate Guarantee of Elecon EPC Projects Limited. Also, Corporate Guarantee of Prayas Engineering Limited and Emtici Engineering Limited was provided as security, however the same is waived by some of the consortium members including Lead Bank, SBI and other member banks are in the process of necessary approval for the waiver.

10. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Current Maturities of		
Term Loan (Secured)	1,132.20	1,567.64
Corporate Loan (Secured)	1,820.00	535.00
(b) Advance from Customers	2,235.84	3,076.06
(c) Interest Accrued but not due on Borrowings	106.84	78.41
(d) Unpaid Dividends	122.28	125.55
(e) Statutory & Other Liabilities	445.25	242.43
	5,862.41	5,625.09

11. SHORT-TERM PROVISIONS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for Employee Benefits:		
Provision for Gratuity	77.76	137.82
Provision for Leave Encashment	32.66	27.44
Provision for Superannuation	16.84	10.83
(b) Proposed Dividend	1,198.29	1,198.29
(c) Dividend Tax on Proposed Dividend	243.94	250.74
	1,569.50	1,625.13

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

12. FIXED ASSETS (Current Year)

(₹ in Lacs)

Sr. No.	Nature Of Assets	Gross Block (At Cost)				Depreciation			Net Block		
		At Cost As On 01.04.2015	Addition & Transfer During year At Cost	Deduction/ Transfer & Adjustment During Year At Cost	Cost As On 31.03.2016	As On 01.04.2015	Accumulated Depreciation or Deduction/ Transfers And Adjustments	Depreciation During the Year	Accumulated Depreciation As On 31.03.2016	As at 31.3.2016	As at 31.03.2015
I. Tangible Assets											
1	Land (Freehold)	2,160.06	-	60.16	2,099.90	-	-	-	-	2,099.90	2,160.06
2	Buildings	9,026.08	4.30	-	9,030.38	3,373.93	-	624.39	3,998.32	5,032.06	5,652.15
3	Plant and Machinery	45,642.05	1,834.36	50.49	47,425.92	22,228.27	50.43	3,497.66	25,675.50	21,750.42	23,413.78
4	Electrical Installations	823.34	10.10	-	833.44	461.88	-	113.93	575.81	257.63	380.99
5	Electrical Fittings	182.82	4.00	-	186.82	80.19	-	28.75	108.93	77.89	83.09
6	Office Equipments	1,794.48	149.80	-	1,944.28	1,596.55	-	111.92	1,708.47	235.81	197.93
7	Air Conditioning Plant	382.33	-	-	382.33	298.46	-	42.59	341.05	41.28	83.87
8	Sundry Equipments	147.37	-	-	147.37	137.52	-	1.46	138.99	8.38	9.83
9	Furniture and Fixtures	391.36	24.93	-	416.29	255.50	-	37.65	293.15	123.14	135.86
10	Vehicles	417.22	11.41	22.38	406.25	285.48	16.46	48.12	317.16	89.09	131.74
11	Research & Development Assets	1,194.75	-	-	1,194.75	539.25	-	79.66	618.92	575.83	655.50
12	Tools, Jigs & Dies	3.62	-	-	3.62	1.72	-	0.36	2.08	1.54	1.90
Total A		62,165.48	2,038.90	133.03	64,071.35	29,258.75	66.89	4,586.49	33,778.39	30,292.96	32,906.71
II. Intangible Assets											
1	Technical Knowhow Fees	341.63	-	-	341.63	341.62	-	-	341.62	0.01	0.01
2	Software	353.92	-	-	353.92	94.81	-	59.00	153.80	200.12	259.11
3	Licenses	388.07	-	-	388.07	191.04	-	64.69	255.74	132.33	197.03
Total B		1,083.62	-	-	1,083.62	627.47	-	123.69	751.16	332.46	456.15
Total A + B		63,249.10	2,038.90	133.03	65,154.97	29,886.22	66.89	4,710.18	34,529.54	30,625.42	33,362.86



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

12. FIXED ASSETS (Previous Year)

(₹ in Lacs)

Sr. No.	Nature Of Assets	Gross Block (At Cost)				Depreciation				Net Block	
		At Cost As On 01.04.2014	Addition & Transfer During year At Cost	Deduction/ Transfer & Adjustment During Year At Cost	Cost As On 31.03.2015	As On 01.04.2014	Accumulated Depreciation or Deduction/ Transfers And Adjustments	Depreciation During the Year	Accumulated Depreciation As On 31.03.2015	As at 31.3.2015	As at 31.03.2014
<u>I. Tangible Assets</u>											
1.	Land (Freehold)	2,218.61	-	58.55	2,160.06	-	-	-	-	2,160.06	2,218.61
2.	Buildings	8,292.28	889.37	155.57	9,026.08	2,745.27	88.00	716.66	3,373.93	5,652.15	5,547.01
3.	Plant and Machinery	45,946.54	273.24	577.73	45,642.05	19,312.42	571.98	3,487.83	22,228.27	23,413.78	26,634.12
4.	Electrical Installations	842.21	0.67	-	842.88	293.72	-	168.17	461.88	381.00	548.49
5.	Electrical Fittings	163.28	-	-	163.28	32.12	-	48.07	80.18	83.10	131.16
6.	Office Equipments	1,719.64	75.80	0.95	1,794.49	1,391.43	0.66	205.78	1,596.55	197.94	328.21
7.	Air Conditioning Plant	375.35	6.97	-	382.32	152.57	-	145.89	298.46	83.86	222.78
8.	Sundry Equipments	150.88	-	3.52	147.36	118.41	2.99	22.11	137.53	9.83	32.47
9.	Furniture and Fixtures	380.34	11.21	0.19	391.36	201.07	0.15	54.58	255.50	135.86	179.27
10.	Vehicles	430.20	2.51	15.48	417.23	219.87	9.70	75.32	285.49	131.73	210.33
11.	Research & Development Assets	1,194.75	-	-	1,194.75	450.98	-	88.27	539.25	655.50	743.77
12.	Tools, Jigs & Dies	3.62	-	-	3.62	1.27	-	0.45	1.72	1.90	2.35
Total A		61,717.70	1,259.77	811.99	62,165.48	24,919.13	673.48	5,013.11	29,258.76	32,906.71	36,798.57
<u>II. Intangible Assets</u>											
1.	Technical Knowhow Fees	341.63	-	-	341.63	318.26	-	23.36	341.62	0.01	23.37
2.	Software	347.80	6.12	-	353.92	36.23	-	58.57	94.81	259.11	311.57
3.	Licenses	377.51	10.56	-	388.07	127.73	-	63.32	191.04	197.03	249.78
Total B		1,066.94	16.68	-	1,083.62	482.22	-	145.25	627.47	456.15	584.72
Total A + B		62,784.64	1,276.45	811.99	63,249.10	25,401.35	673.48	5,158.36	29,886.22	33,362.86	37,383.29

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

13. NON-CURRENT INVESTMENTS (AT COST)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(A) Trade Investment (at Cost)		
(1) Investment In Equity Instruments (Fully Paid-up) (Unquoted):		
(i) Investment in Subsidiary Companies :		
(a) 1,16,94,695 Shares (Previous Year 80,36,419 Shares) of GBP 1 each of Elecon Transmission International Limited - Mauritius	10,061.89	6,551.32
(i) The Company has pledged 42,09,035 Shares of Elecon Transmission International Limited, Mauritius with the Bank of Baroda, Dubai towards security for repayment of loan		
(b) 2,70,170 Shares (Previous Year 2,70,170 Shares) of ₹ 10/- each of Elecon EPC Projects Limited	36.47	36.47
(c) 8,97,844 Shares (Previous Year 8,97,844 Shares) of SGD 1/- each of Elecon Singapore Pte. Limited	247.60	247.60
(d) 6 Shares (Previous Year 6 Shares) of AED 1,00,000/- each of Elecon Middle East FZE	72.61	72.61
(ii) Investment in Associates :		
(a) Nil Shares (Previous Year 1,29,965 Shares) of ₹ 10/- each of Elecon Peripherals Limited	-	13.00
	10,418.57	6,921.00
(2) Investment In Equity Instruments (Fully Paid-up) (Quoted):		
(i) Investment in Joint Ventures :		
(a) 9,58,426 Shares (Previous Year 9,58,426 Shares) of ₹ 10/- each of Eimco Elecon (India) Limited (Market Value ₹ 3,047.79 Lacs - Previous Year ₹ 3,737.86 Lacs)	217.29	217.29
	217.29	217.29
(B) Other Investment (at Cost)		
(1) Investment In Equity Instruments (Fully Paid-up) (Quoted):		
(a) 2,500 Shares (Previous Year 2,500 Shares) of ₹ 10/- each of HDFC Bank Limited (Market Value ₹ 26.78 Lacs - Previous Year ₹ 25.57 Lacs)	0.05	0.05
(b) 53,945 Shares (Previous Year 10,789 Shares) of ₹ 2/- each of Bank of Baroda (Market Value ₹ 79.35 Lacs - Previous Year ₹ 88.09 Lacs)	21.19	21.19
	21.24	21.24
(2) Investment In Equity Instruments (Fully Paid-up) (Unquoted):		
(a) 2,00,000 Shares (Previous Year 2,00,000 Shares) of ₹ 10/- each of Eimco Elecon Electricals Limited	20.00	20.00
(b) 1,24,500 Shares (Previous Year 1,24,500 Shares) of ₹ 10/- each of Wizard Fincap Limited	12.45	12.45
(c) 1 Share (Previous Year 1 Share) of ₹ 100/- each of Charotar Gramoddhar Sahakari Mandal Limited	-	-
(d) 80 Shares (Previous Year 80 Shares) of ₹ 10/- each of Karamsad Urban Co-operative Limited	0.01	0.01
(e) 100 Shares (Previous Year 100 Shares) of ₹ 10/- each of Anand Auto Vehicle Owners Co-operative Credit Society Ltd.	0.01	0.01
(f) 1 Shares (Previous Year 1 Shares) of ₹ 100/- each of Anand Mercantile Co-operative Bank Limited	-	-
(g) 30 Shares (Previous Year 30 Shares) of ₹ 500 each of Charotar Gas Sahakari Mandali Limited	0.15	0.15
	32.62	32.62



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

(₹ in Lacs)

	As at 31 st March, 2015	As at 31 st March, 2015
(C) Investment In Preference Instruments (Fully Paid-up) (Unquoted):		
(i) Investment in Subsidiary Companies :		
(a) 1,27,32,000 Non-cumulative Non-convertible Redeemable Preference Shares (Previous Year 1,27,32,000 Shares) of ₹ 100/- each of Elecon EPC Projects Limited	12,732.00	12,732.00
	23,421.72	19,924.15
(a) Aggregate amount of quoted investments	238.53	238.53
(b) Aggregate amount of unquoted investments	23,183.19	19,685.62
(c) Aggregate Market Value of quoted investments	3,153.93	3,851.52

14. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

	As at 31 st March, 2015	As at 31 st March, 2015
Unsecured, Considered Good		
(a) Capital Advances	145.18	32.84
(b) Deposits	396.21	352.84
(c) Advances recoverable in Cash or Kind	12.04	12.04
(d) Advance Payment of Tax (net of provision for taxation)	728.38	-
(e) Loans and advances to related parties	-	1,142.56
	1,281.81	1,540.28

15. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good		
(a) Deposit with Original maturity of more than twelve (12) months	66.31	66.31
(b) Margin Money Deposit	13.00	13.00
	79.31	79.31

16. INVENTORIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
At lower of cost or net realisable value		
(a) Raw Materials	5,109.26	6,192.12
(b) Semi-Finished Goods	6,458.31	5,168.13
(c) Finished Goods	1,620.66	815.90
(d) Stores and Spares	709.73	846.11
	13,897.96	13,022.26

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

17. TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good :		
(a) Outstanding for a period exceeding six (6) month from the Due Date	9,663.20	3,563.82
(b) Others	18,367.58	19,111.80
	<u>28,030.78</u>	<u>22,675.62</u>

18. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Cash and Cash Equivalent		
(a) Balance with Banks:		
In Current Account	634.01	180.03
Deposit with original maturity of less than three (3) months	300.00	-
Unpaid Dividend Bank Account	122.28	125.55
(b) Cash on Hand	0.07	0.10
	<u>1,056.36</u>	<u>305.68</u>

19. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good :		
(a) Advances Recoverable in Cash/Kind	550.38	800.07
(b) Balance with Collector of Custom, Port Trust, Excise etc.	1,038.24	631.97
(c) Prepaid Expenses	801.31	259.95
(d) Loans and Advances to related parties	2,600.00	-
	<u>4,989.93</u>	<u>1,691.99</u>

20. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Other Receivables		
From Related Parties	12,459.18	12,578.70
From Others	150.96	180.43
	<u>12,610.14</u>	<u>12,759.13</u>



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

21. REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Sale of Products		
Transmission Equipment Sales	45,628.78	42,053.15
WTG Sales	28.09	25.63
Export Sales	5,390.35	7,348.97
	51,047.22	49,427.75
(b) Sale of Services		
Erection Charges	467.18	350.67
(c) Other Operating Revenues		
Scrap Sales	366.83	456.81
Machinery Hire Charges	-	13.32
Duty Drawback	3.16	70.69
	369.98	540.82
	51,884.39	50,319.24

22. OTHER INCOME

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Interest Income	106.66	114.35
(b) Dividend Income(from Long Term Investment)	49.86	39.66
(c) Profit on Sales of Assets (Net of Losses)	2,189.96	951.03
(d) Profit on Sales of Investments (Net of Losses)	189.75	-
(e) Gain on account of Exchange variations	-	105.15
(f) Rent Income	601.55	675.52
(g) Miscellaneous Income	765.27	382.04
	3,903.05	2,267.74

23. COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Raw Materials Consumed	23,963.37	21,563.18
	23,963.37	21,563.18
(a) Raw Materials Consumed in Broad Heads :		
Iron & Steel	3,590.41	2,822.33
Forgings	3,534.14	3,909.76
Bearings	3,020.75	2,815.50
Electricals	105.18	83.87
Castings	2,401.98	2,493.86
Other Components	11,310.90	9,437.86
	23,963.37	21,563.18
(b) Value of Indigenous and Imported Raw Materials Consumed during the Year :		
Imported Value	5,545.58	360.97
Percentage	23%	2%
Indigenous Value	18,417.79	19,151.98
Percentage	77%	98%

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

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Opening Stock :		
Semi-finished Goods (WIP)	5,168.13	6,259.30
Finished Goods	815.90	1,013.30
	5,984.03	7,272.60
(b) Closing Stock :		
Semi-Finished Goods (WIP)	6,458.31	5,168.13
Finished Goods	1,620.66	815.90
	8,078.97	5,984.03
	(2,094.95)	1,288.57

25. MANUFACTURING EXPENSES AND ERECTION CHARGES

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Stores, Tools and Spares Consumed	2,101.75	2,242.08
(b) Sub-Contracting Charges	1,536.48	1,266.64
(c) Power and Fuel	771.36	654.49
(d) Erection and other charges	129.08	40.72
(e) Other manufacturing expenses	1,027.90	637.78
	5,566.58	4,841.71
1. Value of Indigenous and Imported Stores, Tools and Spares consumed during the Year :		
Imported Value	15.61	244.89
Percentage	1%	11%
Indigenous Value	2,086.14	1,997.19
Percentage	99%	89%

26. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Salaries and Wages (Incl. Managerial Remuneration)	4,435.34	3,374.26
(b) Contribution to Provident Fund	181.63	154.37
(c) Employees' Welfare Expenses	121.95	75.91
(d) Employees' Retirement Benefits	110.63	87.18
	4,849.55	3,691.72

27. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Material for prototyping	38.73	9.93
(b) Salaries and Wages, Contribution to Provident Fund & Other Funds & Related Expenses	246.28	185.26
(c) Travelling, Conveyance and Other expenses	9.28	22.98
(d) Repair & Maintenance R & D Equipments	13.29	-
(e) General Admin & Other Exps.	20.95	-
	328.52	218.17



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

28. FINANCE COST

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Interest Expense	3,441.87	2,760.34
(b) Other Borrowing Cost	95.86	234.69
	3,537.73	2,995.03

29. OTHER EXPENSES

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Technical Know how and Design Fees	-	1.24
(b) Rent	962.09	946.84
(c) Computer Software Charges	333.25	259.89
(d) Rates & Taxes	355.38	348.18
(e) Excise Duty (Excluding Duty Recovered from Customers)	89.42	(20.80)
(f) Repairs and Maintenance :		
Buildings	97.53	187.80
Machineries	1,053.50	1,023.18
Others	42.02	125.57
(g) Insurance (Net of Recoveries)	62.54	108.60
(h) Travelling Expenses	359.62	310.63
(i) Directors' Fees	10.15	8.60
(j) Commission to Non Executive Director	30.00	25.83
(k) Packing, Forwarding & Distribution Expenses (Net of Recoveries)	1,032.61	942.89
(l) Commission & Brokerage	1,329.76	1,268.31
(m) Warranty Claim Replacement	39.10	3.72
(n) Bad Debts Written Off	418.70	699.22
(o) Liquidated Damages	259.86	222.37
(p) Advertisements & Sales Promotion Expenses	209.40	193.53
(q) Payment to Auditors	19.98	17.54
(r) Expenditure on Corporate Social Responsibility	93.12	141.92
(s) Lease Rentals	154.33	141.87
(t) Royalty Paid	35.63	-
(u) Technical Inspection Consultancy Fees	3.50	14.76
(v) Other Professional Consultancy Fees	611.13	391.07
(w) General Administrative Charges	1,020.83	702.79
(x) Net loss on account of Exchange variations	180.46	-
	8,803.89	8,065.55

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

(₹ in Lacs)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Auditors' Remuneration		
Auditors' remuneration includes the following amounts paid or adjusted as paid to them during the year :		
(i) As Auditors	11.51	9.20
(ii) For Tax Audit	1.90	1.52
(iii) For Taxation Matters	-	0.85
(iv) For Other Services	6.17	4.72
(v) Re-imbursement of Expenses	0.40	1.25
	19.98	17.54

Over & above the aforesaid payments an amount of ₹ 2.79 Lacs (Previous Year ₹ 0.69 Lacs) has been paid to a concern of which one of the partners of the statutory auditors is a proprietor.

30. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Contingent Liabilities:		
<u>Claims against the Company not acknowledged as Debt</u>		
(i) Disputed Excise Duty & Service Tax against Demand Notices received	1780.84	1,758.65
(ii) Disputed Income tax Demand-Disputed by Company	647.14	637.03
(iii) Disputed Income tax Demand-Disputed by Income tax Authorities	367.31	377.64
(iv) Disputed Sales Tax & Vat Demand against the Company	1773.78	1075.74
(v) Sales Bills Discounted under LC with Banks	383.94	528.65
(vi) NexGen Energy Partners, LLC of USA has filed a case bearing no. 2011 CV 0066, against Reflecting Blue Technologies (RBT) of USA and the Company, in the court of Ohio, USA on account of non performing of Wind Mill supplied through Reflecting Blue Technologies (RBT). The matter is pending in the court of Ohio, USA and amount of claim is unascertainable.	Unascertained	Unascertained
(vii) Bonus Liability for the year 2014-15	86.63	-
<u>Guarantees</u>		
(i) The Company has provided Corporate Guarantee to Bank of Baroda, Dubai to the tune of GBP 7,216,000 and US\$ 28,299,876 as a security for repayment of Financial facility availed by Elecon Transmission International Limited, Mauritius, a Wholly Owned Subsidiary of the Company.	25,612.67	24,344.64
(ii) The Company has provided Corporate Guarantee to State Bank of India, to the tune of ₹ 91,880.00 Lacs as a security for repayment of Financial facility availed by Elecon EPC Projects Limited, a subsidiary of the Company.	91,880.00	91,880.00
(iii) Guarantees issued by Company's Bankers	10,816.16	4,959.67
(iv) Corporate Guarantee provided to Swedish Pension Authority to the tune of SEK 15.00 Million as a security, in replacement of earlier guarantee given by erstwhile owner, for the purchase of pension insurances relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, a Wholly Owned Subsidiary of the Company.	1,223.93	1,082.30



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

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	793.93	1,436.47
(ii) Liability for Export Obligation under Export Promotion Capital Goods Scheme	-	1,525.92
(iii) Liability for Export Obligation under Advance Licence	1,552.05	-

31. RETIREMENT BENEFITS

- i) The Gratuity liability & liability in respect of Leave Encashment is determined based on the Actuarial Valuation done by Actuary as at Balance Sheet date in context of the Revised AS-15 issued by the ICAI, as follows:- (₹ in Lacs)

	Gratuity		Leave Encashment	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Expense recognized in the Statement of Profit and Loss :-				
Current Service Cost	45.35	38.21	26.33	29.59
Interest Cost	56.13	58.36	16.10	16.36
Employer Contribution	-	-	-	-
Expected Return on Plan Assets	(45.12)	(39.04)	-	-
Net Actuarial (Gains) / Losses	35.46	46.54	10.51	23.10
Past Service Cost	-	-	-	-
Settlement Cost	-	-	-	-
Total Expenses	91.82	104.07	52.94	69.05
Net Asset/(Liability) recognized in the Balance Sheet :-				
Present value of Defined Benefit Obligation	774.31	702.48	226.88	201.54
Fair value of Plan Assets	696.55	564.66	-	-
Funded Status [Surplus / (Deficit)]	(77.76)	(137.82)	(226.88)	(201.54)
Net Asset / (Liability)	(77.76)	(137.82)	(226.88)	(201.54)
Current Liability	(77.76)	(137.82)	(32.66)	(27.45)
Non Current Liability	-	-	(194.22)	(174.09)
Change in Obligation during the Year :-				
Present value of Defined Benefit Obligation at Beginning of the Year	(702.48)	(625.53)	(201.53)	(175.27)
Current Service Cost	(45.35)	(38.21)	(26.33)	(29.59)
Interest Cost	(56.13)	(58.36)	(16.10)	(16.35)
Settlement Cost	-	-	-	-
Past Service Cost	-	-	-	-
Employer Contributions	-	-	-	-
Liability Transferred In	-	-	-	-
Liability Transferred Out	-	-	-	-
Actuarial (Gains) / Losses	(45.77)	(25.06)	(10.51)	(23.11)
Benefits Payments	75.42	44.68	27.60	42.79
Present value of Defined Benefit Obligation at the end of the year	(774.31)	(702.48)	(226.87)	(201.53)
Change in Assets during the Year :-				
Plan Assets at the beginning of the year	564.66	448.72	-	-
Settlements	-	-	-	-
Expected return on plan assets	45.12	39.03	-	-
Contributions by Employer	160.92	143.07	-	-
Transfer From other Company	-	-	-	-
Transfer To other Company	-	-	-	-

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

(₹ in Lacs)

	Gratuity		Leave Encashment	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Actual benefits paid	(75.42)	(44.68)	-	-
Actuarial (Gains) / Losses	1.27	(21.48)	-	-
Plan assets at the end of the year	696.55	564.66	-	-
Expected contribution during the year	-	-	-	-
Actuarial Assumptions				
Discount Rate	8.04%	9.33%	8.04%	9.33%
Expected Rate of Return on Plan Assets	8.04%	8.70%	-	-
Mortality Pre-Retirement	-	-	-	-
Turnover Rate	2.00%	2.00%	2.00%	2.00%
Rate of Escalation in Salary (p.a.)	6.50%	6.50%	6.50%	6.50%

Past four years data for defined benefit obligation and fair value of Plan Assets are as under:-

(₹ in Lacs)

(i)	Gratuity Plan	2011-12	2012-13	2013-14	2014-15
	Present value of defined benefit obligation at the end of the Year	1,152.97	885.34	625.53	702.48
	Fair value of Plan Assets at the end of the Year	756.37	717.07	448.72	564.66
	Actuarial Assumptions:				
	Discount Rate	8.50%	8.50%	9.30%	9.33%
	Expected Rate of Return on Plan Assets	8.50%	8.50%	8.70%	8.70%
	Mortality Pre-Retirement	-	-	-	-
	Turnover Rate	2.00%	2.00%	2.00%	2.00%
	Rate of Escalation in Salary (P.A.)	6.50%	6.50%	6.50%	6.50%

- a. The Rate of Escalation in Salary (p.a.) considered in actuarial valuation is worked out after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Mortality rates are obtained from the relevant data of Life Insurance Corporation of India.
- b. The liability for the Gratuity ₹ 77.76 Lacs (Previous Year ₹ 137.82 Lacs.) as shown in the balance sheet is after adjusting the Fair value of plan assets (Invested with LIC/SBI) as at March 31, 2016 of ₹ 696.55 Lacs (Previous Year ₹ 564.66 Lacs).
- ii) Liability in respect of Superannuation benefits extended to eligible employees is contributed by the Company to Life Insurance Corporation of India against a Master Policy @ 15% of the basic Salary of all the eligible employees subject to Maximum of ₹ 1.00 Lac. The Company is providing for the outstanding Liability amount allocable to the broken period beyond Annual Renewal date of the Scheme.
- iii) The Company's contributions paid/payable for the year to Provident Fund is charged to the Statement of Profit and Loss for the year of ₹ 70.61 Lacs (Previous Year ₹ 71.01 Lacs).

32. SEGMENT INFORMATION

- a) W.e.f. 1st April, 2012, after giving effect of the Scheme, the Company operates in a solitary business segment i.e. "Transmission Equipment". AS 17 requires Segment information to be prepared on the basis of Consolidated Financial Statements. Accordingly, segment information is disclosed in Consolidated Financial Statements.

33. EARNING PER SHARE

(₹ in Lacs, except per share data)

	As at 31 st March, 2016	As at 31 st March, 2015
--	---------------------------------------	---------------------------------------

Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share"

(Before and after Extraordinary Items)

a)	Profit for Basic & Diluted Earning Per Share as per Statement of Profit and Loss	4,315.20	3,318.58
b)	Weighted average number of equity shares	108,935,843	108,935,843
c)	Earning Per Share (Basic & Diluted)	3.96	3.05
d)	Face Value per Share	2.00	2.00



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

34. 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) Subsidiary Companies

- (i) Elecon EPC Projects Limited
- (ii) Elecon Transmission International Limited, Mauritius
- (iii) Elecon Singapore Pte. Limited
- (iv) Elecon Middle East FZE

b) Step Down Subsidiaries

- (i) Benzlers Systems AB, Sweden
- (ii) Radicon Transmission UK Limited, U.K.
- (iii) AB Benzlers, Sweden
- (iv) Elecon USA Transmission Limited, USA
- (v) Benzlers Transmission A.S., Denmark
- (vi) Benzlers Antriebstechnik GmbH, Germany
- (vii) Benzlers TBA B.V., Netherlands
- (viii) Benzlers Antriebstechnik Gesmbh, Austria
- (ix) OY Benzlers AB, Finland
- (x) Benzlers SDN BDH Malaysia
- (xi) Benzlers Italia s.r.l.

c) Associates and Joint Ventures

- (i) Eimco Elecon (India) Limited (Joint Venture)
- (ii) Elecon Australia Pty. Limited (Associate)
- (iii) Elecon Africa Pty. Limited (Associate)
- (iv) Elecon Engineering (Suzhou) Co. Limited, China (Associate)
- (v) Elecon Peripherals Limited (Associate upto October, 2015)

d) Individual having control/significant influence

- (i) Shri Prayasvin B. Patel

e) Key Management Personnel

- (i) Shri Prayasvin B. Patel
- (ii) Shri Prashant C. Amin

f) Enterprises over which (d) or (e) above have significant influence

- (i) Bipra Investments & Trusts Private Limited
- (ii) Devkishan Investments Private Limited
- (iii) K. B. Investments Private Limited
- (iv) Elecon Information Technology Limited
- (v) Emtici Engineering Limited
- (vi) Prayas Engineering Limited
- (vii) Specialty Wood Pack Private Limited
- (viii) Power Build Private Limited
- (ix) Kirloskar Power Build Gears Limited
- (x) Akaaish Mechatronics Limited
- (xi) Madhubhan Prayas Resorts Limited
- (xii) Wizard Fincap Limited
- (xiii) Eimco Elecon Electricals Limited
- (xiv) Excel EPC Projects Private Limited
- (xv) Aishpra Properties Private Limited
- (xvi) Akaaipra Infracon Private Limited
- (xvii) BIP Buildcon Private Limited
- (xviii) Madhubhan Heights Private Limited
- (xix) MTC Buildcon Private Limited
- (xx) Aakaaish Investments Private Limited
- (xxi) Elecon Peripherals Limited (from November, 2015)

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

B) Nature of Transactions :

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Purchase of Material / Finished Goods		
(i) Elecon EPC Projects Limited	618.79	552.05
(ii) Specialty Wood Pack Private Limited	689.43	658.69
(iii) Elecon Peripharals Limited	1,128.02	713.66
(iv) Others	173.34	150.10
Job work Income from Other Co.		
(i) Power Build Private Limited	27.06	34.44
(ii) Elecon EPC Projects Limited	77.22	42.24
(iii) Elecon Peripharals Limited	12.95	7.80
(iv) Others	-	1.08
Job work Expenses to Other Co.		
(i) Elecon Peripharals Limited	37.82	39.15
(ii) Power Build Private Limited	31.42	6.03
(iii) Elecon EPC Projects Ltd	156.28	95.48
(iv) Others	21.26	4.30
Sale of Fin. Goods / Consumable Stores		
(i) Eimco Elecon (India) Limited	451.31	678.11
(ii) Radicon Transmission UK Limited	721.31	1,601.32
(iii) Elecon EPC Projects Limited	2,735.75	2,738.01
(iv) Radicon Transmission FZE	127.62	-
(v) Radicon Transmission (Thailand) Limited	234.25	-
(vi) Elecon Singapore Pte. Limited	407.38	427.49
(vii) Elecon Middle East FZE	731.41	690.10
(viii) Others	856.67	505.68
Purchase of Fixed Assets		
(i) Elecon Information Technologies Limited	139.65	6.11
(ii) Eimco Elecon (India) Limited	-	68.38
(iii) Elecon EPC Projects Limited	719.98	192.73
(iv) Others	-	7.24
Sales of Fixed Assets		
(i) Eimco Elecon (India) Limited	-	1,005.00
(ii) Emtici Engineering Limited	2,501.02	-
(iii) Others	-	48.42
Expenses Charged to Other Co.		
(i) Elecon EPC Projects Limited	699.40	871.21
(ii) Power Build Private Limited	64.45	159.00
(iii) Elecon Transmission International Limited, Mauritius	208.90	459.10
(iv) Others	156.21	156.86
Exp. Charged by Other Co.		
(i) Akaaish Mechatronics Limited	826.12	823.19
(ii) Elecon Information Technologies Limited	200.40	155.40
(iii) Emtici Engineering Limited	896.77	824.37
(iv) Prayas Engineering Limited	270.45	274.94
(v) Others	496.01	313.11



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

B) Nature of Transactions (Contd...)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Sales Commission		
(i) Elecon Singapore Pte. Limited	139.35	88.74
(ii) Elecon Middle East FZE	72.43	52.91
Deposit/ Loan / Advances given		
(i) Elecon Transmission International Limited, Mauritius	1,215.48	1,525.78
(ii) Elecon EPC Projects Limited	2,600.00	-
Int. on above Loan/ Deposit		
(i) Elecon Transmission International Limited, Mauritius	50.43	84.94
(ii) Elecon EPC Projects Limited	225.40	-
Purchase / Subscribe of Equity Shares		
(i) Elecon Transmission International Limited, Mauritius	1,152.54	-
Sale of Shares of Co.		
(i) Elecon Peripherals Limited	202.75	-
Receipt of Dividend		
(i) Eimco Elecon (India) Limited	47.92	39.47
Recovery of Loan		
(i) Elecon Transmission International Limited, Mauritius, converted to investment	2,358.04	3,485.27
Slump sale of MHE Undertaking pursuant to Scheme of Arrangement converted to investment/recovered		
(i) Elecon EPC Projects Limited	-	12,732.44
Remuneration		
(i) Shri Prayasvin B. Patel	361.19	466.47
(ii) Shri Prashant C. Amin	214.62	238.39

C) Balance at Year End

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(i) Outstanding Payable		
(a) Associates and Joint Ventures		
(i) Elecon Peripherals Limited	451.78	250.63
(ii) Eimco Elecon (India) Limited	54.50	70.01
(b) Enterprises over which Note No. 34(A)(d) or 34(A)(e) of above have significant influence		
(i) Emtici Engineering Limited	9.60	80.24
(ii) Prayas Engineering Limited	15.98	22.88
(iii) Akaash Mechatronics Limited	86.32	104.63
(iv) K. B. Investment Private Limited	1.77	-
(v) Kirlosker Power Build Gear Limited	-	17.00
(vi) Elecon Information Technology Limited	91.03	-
(vii) Others	108.64	86.57
(c) Subsidiary Companies		
(i) Elecon Singapore Pte. Limited	85.59	83.96
(ii) Elecon Middle East FZE	30.21	6.05
(ii) Elecon EPC Projects Limited	799.56	94.86

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

C) Balance at Year End (Contd...)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(ii) Outstanding Receivables:		
(a) Subsidiary Company		
(i) Elecon Transmission International Limited, Mauritius	-	639.42
(ii) Elecon EPC Projects Limited	24,523.06	18,787.89
(iii) Elecon Singapore Pte. Limited	184.73	278.86
(iv) Elecon Middle East FZE	71.05	127.62
(b) Step down Subsidiaries		
(i) Radicon Transmission UK Limited, U.K.	1,733.42	1,636.32
(ii) AB Benzlers, Sweden	64.34	212.32
(iii) Radicon USA Transmission Limited, USA	175.71	123.20
(c) Associates and Joint Ventures		
(i) Eimco Elecon (India) Limited	121.13	44.86
(ii) Elecon Peripherals Limited	2.83	14.55
(d) Enterprises over which Note No. 34(A)(d) or 34(A)(e) of above have significant influence		
(i) Emtici Engineering Limited	93.45	0.94
(ii) Power Build Private Limited	18.87	118.06
(iii) Investments:		
(a) Subsidiary Companies		
1. In Equity Shares		
(i) Elecon Transmission International Limited, Mauritius	10,061.89	6,551.32
(ii) Elecon EPC Projects Limited	36.47	36.47
(iii) Elecon Singapore Pte. Limited	247.60	247.60
(iv) Elecon Middle East FZE	72.61	72.61
2. In Preference Shares		
(i) Elecon EPC Projects Limited	12,732.00	12,732.00
(b) Associates and Joint Ventures		
(i) Eimco Elecon (India) Limited	217.29	217.29
(ii) Elecon Peripherals Limited	-	13.00
(c) Enterprises over which Note No. 34(A)(d) or 34(A)(e) of above have significant influence		
(i) Wizard Fincap Limited	12.45	12.45
(ii) Eimco Elecon Electricals Limited	20.00	20.00

35. DISCLOSURES SPECIFIED BY THE MSMED ACT

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act could not been given.

36. CIF VALUE OF IMPORTS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
a) Raw Material	2,461.39	2,763.83
b) Stores and Spares	61.74	143.19
c) Capital Goods	932.97	5.79



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

37. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
a) Interest	35.32	87.08
b) Technical Consultancy Fees	165.80	104.02
c) Legal and Professional Fees	37.51	10.66
d) Others	413.56	156.33

38. EARNINGS IN FOREIGN EXCHANGE

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
a) Export of Goods calculated on F.O.B. basis Reduction Gears	5,345.38	7,315.77

39. PROPOSED DIVIDEND

The Board of Directors have proposed equity dividend of ₹ 1.10 (Previous Year ₹ 1.10) per equity share of ₹ 2.00 each. The aggregate amount of equity dividend proposed to be distributed is ₹ 1,442.23 Lacs (Previous Year ₹ 1,449.03 Lacs) Including Dividend Distribution Tax of ₹ 243.94 Lacs (Previous Year ₹ 250.74 Lacs).

40. Figures of previous year are regrouped and recast wherever necessary.

41. Note 1 to 40 form an integral part of the Financial Statements.

Signature to Balance Sheet and Statement of Profit and Loss and note 1 to 39.

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECON ENGINEERING COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **ELECON ENGINEERING COMPANY LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at **March 31, 2016**, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Other Matter

- (a) We did not audit the financial statements of subsidiaries and jointly controlled entity, whose financial statements reflect total assets of ₹ 35,193.71 Lacs as at March 31, 2016, total revenues of ₹ 35,631.69 Lacs and net cash outflows amounting to ₹ 52.94 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our



opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

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

For THACKER BUTALA DESAI
Chartered Accountants
Firm Regn. No. 110864W

Place : Vallabh Vidyanagar
Date : April 27, 2016

M. T. DESAI
Partner
M. No. : 030911

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended **March 31, 2016**, we have audited the internal financial controls over financial reporting of **Elecon Engineering Company Limited** (“the Holding Company”) and its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled entity, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and its jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For THACKER BUTALA DESAI

Chartered Accountants
Firm Regn. No. 110864W

M. T. DESAI

Partner
M. No. : 030911

Place : Vallabh Vidyanagar
Date : April 27, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	Notes	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITIES AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	2,178.72	2,178.72
(b) Reserves and Surplus	4	54,012.14	51,378.09
		56,190.86	53,556.81
(2) Minority Interest		3,014.59	3,603.53
(3) Non - Current Liabilities			
(a) Long-Term Borrowings	5	18,142.05	16,316.58
(b) Deferred Tax Liabilities	6	2,854.65	3,614.21
(c) Other Long Term Liabilities	7	11,962.82	11,305.06
(d) Long-Term Provisions	8	349.81	317.47
		33,309.33	31,553.32
(4) Current Liabilities			
(a) Short-Term Borrowings	9	38,581.62	33,964.00
(b) Trade Payables		53,620.27	51,527.13
(c) Other Current Liabilities	10	16,353.91	20,429.86
(d) Short-Term Provisions	11	2,057.68	2,125.62
		110,613.48	108,046.61
TOTAL		203,128.26	196,760.27
II. ASSETS			
(1) Goodwill on Consolidation		5,261.77	5,261.77
(2) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		36,536.33	40,906.42
(ii) Intangible Assets		5,850.62	6,141.16
(iii) Capital Work-in-Progress		774.22	379.87
		43,161.17	47,427.45
(b) Non-Current Investments	13	372.30	607.59
(c) Net Deferred Tax Assets	6	746.42	339.71
(d) Long-Term Loans and Advances	14	2,481.31	1,709.91
(e) Other Non-Current Assets	15	6,513.11	5,374.97
		53,274.31	55,459.63
(3) Current Assets			
(a) Current Investments		1,575.61	927.15
(b) Inventories	16	36,563.82	34,629.26
(c) Trade Receivables	17	89,838.66	85,822.46
(d) Cash and Bank Balances	18	3,561.56	3,150.52
(e) Short-Term Loans and Advances	19	12,060.38	10,880.34
(f) Other Current Assets	20	992.15	629.14
		144,592.18	136,038.87
TOTAL		203,128.26	196,760.27

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 2
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Notes	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
I. Revenue from Operations (Gross)		136,964.00	140,270.67
Less : Excise Duty		(8,429.44)	(7,381.62)
Revenue from Operations (Net)	21	128,534.56	132,889.05
II. Other Income	22	3,615.36	1,661.74
III. Total Revenue (I + II)		132,149.92	134,550.79
IV. Expenses:			
(a) Cost of Materials Consumed	23	65,010.23	64,045.06
(b) Purchases of Stock-in-Trade		438.68	654.03
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(3,282.38)	2,977.14
(d) Manufacturing Expenses and Erection Charges	25	18,012.26	14,690.51
(e) Employee Benefits Expense	26	14,957.99	14,325.83
(f) Research and Development Expenses	27	379.98	290.98
(g) Finance Costs	28	7,472.85	8,087.00
(h) Depreciation and Amortization Expense		6,614.42	7,157.87
(l) Other Expenses	29	18,016.89	18,929.46
Total Expenses		127,620.92	131,157.88
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		4,529.00	3,392.91
VI. Exceptional Items - Income from Sale of Business		-	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		4,529.00	3,392.91
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		4,529.00	3,392.91
X. Tax Expense:			
(a) Current tax		2,588.99	2,416.20
(b) Deferred tax		(1,284.42)	(741.39)
(c) MAT Credit Entitlement		-	-
(d) Excess/Short Provision of Taxation		(9.61)	3.87
XI. Profit for the Year (IX-X)		3,234.04	1,714.23
XII. Minority Interest (Profit) / Loss		587.63	(100.19)
XIII. Share of Profit of Associates		-	20.39
XIV. Profit After Taxation, Minority Interest & Share of Associates		3,821.67	1,634.43
XV. Earnings per equity share:			
(1) Basic		3.51	1.50
(2) Diluted		3.51	1.50
Face Value Per Share (₹)		2.00	2.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
[A] CASH FLOW FROM OPERATING ACTIVITIES		
1. Net Profit Before Tax & Minority Interest	4,529.00	3,392.92
2. Adjustments for:		
[i] Depreciation and Amortisation	6,614.42	7,157.87
[ii] Interest Expenses	7,472.85	8,087.00
[iii] Interest Income	(128.02)	(51.92)
[iv] Unrealised Exchange (gain) / loss (net)	(205.48)	1,467.17
[v] Profit on Sales of Fixed assets & Investments	(2,222.06)	(843.98)
[vi] Bad Debts Written Off / Provision for Doubtful Debts	488.53	893.62
[vii] Dividend Income	(81.54)	(57.26)
Operating Profit Before Working Capital Changes (1 + 2)	16,467.70	20,045.42
3. Adjustments for Working Capital changes:		
[i] Trade & Other Receivables		
(Increase) / decrease in Trade receivables	(4,504.73)	(1,408.83)
(Increase) / decrease in Other receivables	(2,805.23)	1,940.74
[ii] Trade & Other Payables		
Increase / (decrease) in Trade Payables	2,061.93	2,103.06
Increase / (decrease) in Other Payables	(3,296.98)	(3,878.95)
[iii] Inventories	(1,934.56)	1,162.41
Cash Generated From Operations	5,988.13	19,963.85
4. Less: Direct Taxes Paid	(3,226.94)	(2,226.04)
NET CASH FROM OPERATING ACTIVITIES [A]	2,761.19	17,737.81
[B] CASH FLOW FROM INVESTING ACTIVITIES		
1. Purchase of Fixed Assets	(2,409.36)	(1,664.50)
2. Sale of Fixed Assets	2,703.31	1,602.83
3. Purchase of Investments	(648.46)	(106.71)
4. Sale of Investments	235.29	69.44
5. Interest Received	128.02	51.92
6. Dividend Received	81.54	57.26
NET CASH FROM INVESTING ACTIVITIES [B]	90.34	10.24



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
[C] CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds / Repayment from / of Borrowings	6,443.09	(7,460.79)
2. Finance Cost Paid	(7,429.12)	(8,139.85)
3. Dividend Paid	(1,454.46)	(1,225.74)
NET CASH FROM FINANCING ACTIVITIES [C]	(2,440.49)	(16,826.38)
[D] NET INCR./(DECR.) IN CASH & CASH EQUIVALENTS [A+B+C]	411.04	921.67
[E] Cash & Cash Equivalents at the beginning of the year	3,150.52	2,228.85
[F] Cash & Cash Equivalents at the end of the year	3,561.56	3,150.52

Notes :-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary

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

1A. BASIS OF PREPARATION

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ["GAAP"] except for the revaluation of certain fixed assets, in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). However, certain escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the periods, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the periods in which the results are known.

1B. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of Elecon Engineering Company Limited ('the Company'), its subsidiaries, joint ventures and associate companies as described in Note No. 30 (collectively referred to as 'the Group').

The consolidated financial statements have been prepared on the basis of Accounting Standard 21, 'Consolidated Financial Statements', Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard (AS) 27 'Financial reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India.

The financial statements of the parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resultant unrealized profits/ losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The excess or deficit of parent's portion of equity in the subsidiary Company over its cost of investment, if any, is treated as a capital reserve or recognized as goodwill respectively.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so. Considering that the financial statements of the foreign subsidiaries have been prepared under the laws and regulations applicable to their respective country of incorporation, these consolidated financial statements have been prepared substantially in the same format adopted by the Company to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognized under Foreign Currency Translation Reserve.

Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

The Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its profit and loss account, to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance based on available information.

The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed Assets

- i) **Tangible Assets:** Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and attributable cost of bringing the Assets to its working condition for its intended use, but excludes Cenvat / Service Tax / VAT Credit availed.



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

- ii) **Intangible Assets:** Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

b) Borrowing Cost

Financing costs relating to deferred credits or borrowed funds attributable to construction or acquisition of fixed assets for the period up to the completion of construction or acquisition of fixed assets are included in the cost of the assets to which they relate.

c) Depreciation & Amortisation

Indian Companies

Plant & Machineries are depreciated on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

In respect of all other Fixed Assets, depreciation is provided on Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Depreciation is provided on pro-rata basis:

- i) From the date of addition, in case of additions during the year to the Fixed Assets; and
- ii) Up to the date of disposal, in case of disposals during the year of the Fixed Assets.

Intangible assets are amortised as follows:

- i) Software & Licences: over a period of six (6) years
- ii) Technical know-how : over a period of six (6) years from the date of actual production

Foreign Companies

Depreciation and Amortisation has been provided by the foreign companies on methods and at the rates required / permissible by the local laws so as to depreciate assets over their useful life.

d) Inventories

Materials and other supplies are usually held for use in the production of finished goods. These are not written down below cost if the finished goods in which they will be consumed are expected to be sold at or above cost.

Inventories are valued at lower of cost or estimated net realizable value. The cost of inventories is arrived at on the following basis:

Raw Materials and Stores : Weighted Average Cost

Stock-in-Process : Raw Materials at Weighted Average Cost & Absorption of Labour and Overheads

Finished Goods : Raw Materials at Weighted Average Cost & Absorption of Labour and Overheads

e) Investments

Investments are generally of Long Term nature and are stated at cost unless there is other than temporary diminution in their value as at the date of Balance Sheet.

Investments in Overseas Associates / Subsidiary are stated at cost of acquisition.

f) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by the future event not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognized in the financial statements.

g) Revenue Recognition

- i) Sale of goods is generally recognized on dispatch to customers and is shown net of recoveries.
- ii) Income on turnkey contracts is accounted for on the basis of billings made on customers against mutually agreed billing schedules.

Advances received from customers in respect of contracts, which are not in relation to work performed thereon, are shown as "Advance from Customers".

Amounts retained by customers until satisfaction of conditions specified in the contract for release of such amounts are reflected as Trade receivable.

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

Credits are taken for claims in respect of cost escalation and extra work as and when and to the extent admitted by customers.

Provision is made in full for claims or penalties payable arising out of delays in completion or from any other causes as and when admitted.

- iii) Interest revenues are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Dividend from investments in Shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.
- v) Consistent with past practice, export incentives are accounted for as and when the claims thereof have been admitted by the authorities.

h) Foreign Currency Transactions

Transactions in foreign currencies are generally recorded by applying to the foreign currency amount, the exchange rate existing at the time of the transaction. However, where forward exchange contracts are entered into, the forward rates specified in the related forward exchange contracts have been used as the basis of measuring and recording the transactions.

Gains or losses on settlement, in a subsequent period of transactions entered into in an earlier period are credited or charged to the Statement of Profit and Loss.

Revenue items of non-integral foreign operations are consolidated at the average rate prevailing during the period. All assets and liabilities of non-integral foreign operations are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognized under Foreign Currency Translation Reserve.

i) Employee Benefits

The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan), is actuarially valued every year. The current service cost, interest cost, expected return on plan assets and the actuarial gain / loss are expensed to the Statement of Profit and Loss of the year as Employees Costs.

The Company's contribution in case of defined contribution plans (Provident Fund, Superannuation benefit and other funds) is charged to Statement of Profit and Loss as and when it is incurred as Employee Costs.

The liability for compensated absences and leave encashment is provided on the basis of actuary valuation, as at Balance Sheet date.

j) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognized in prior periods is reversed if there has been a change in the estimate of recoverable amount.

k) Accounting for Tax

Indian Companies

- (a) Current Tax is accounted on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of Income Tax Act, 1961.
- (b) Deferred Tax resulting from "timing differences" between accounting and taxable profit for the period is accounted by using tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred Tax Assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. Net Deferred Tax Liability is arrived at after setting off Deferred Tax Assets.

Foreign Companies

Foreign Companies recognise Tax Liabilities and Assets in accordance with the applicable local laws.



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

3. SHARE CAPITAL

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Authorised Share Capital		
i) 225,000,000 (Previous Year 225,000,000) Equity Shares of ₹ 2/- each	4,500.00	4,500.00
ii) 25,000,000 (Previous Year 25,000,000) Cumulative Redeemable Preference Shares of ₹ 2/- each	500.00	500.00
Total	5,000.00	5,000.00

Issued Subscribed and Paid-up Capital

108,935,843 Equity Shares of ₹ 2/- each (Previous Year 108,935,843 Equity Shares of ₹ 2/- each)	2,178.72	2,178.72
Total	2,178.72	2,178.72

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Outstanding at the beginning of the Year	108,935,843	108,935,843
Add : Issued during the year	-	-
Outstanding at the end of the Year	108,935,843	108,935,843

(ii) Rights, Preferences and Restrictions attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shareholders holding more than 5 percent Equity Shares:

Particulars		As at 31 st March, 2016	As at 31 st March, 2015
Equity Shares of ₹ 2/- each fully paid			
(a) Emtici Engineering Limited	Nos.	25,783,669	26,775,669
	% Holding	23.67%	24.58%
(b) Prayas Engineering Limited	Nos.	11,166,394	11,166,394
	% Holding	10.25%	10.25%
(c) K. B. Investments Private Limited	Nos.	10,253,125	10,081,125
	% Holding	9.41%	9.25%
(d) Bipra Investments & Trusts Private Limited	Nos.	5,876,621	5,876,621
	% Holding	5.39%	5.39%

(iv) Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Equity Share allotted as fully paid up shares by virtue of schemes of arrangement	16,074,333	16,074,333

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

4. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Capital Reserve on Consolidation	246.93	246.93
(b) Capital Reserve		
As per Last Financial Statements	0.48	0.48
Closing Balance	0.48	0.48
(c) Share Premium Account		
As per Last Financial Statements	2,881.94	2,881.94
Closing Balance	2,881.94	2,881.94
(d) General Reserve		
As per Last Financial Statements	49,821.63	48,331.86
Add : Transferred from Surplus in Statement of Profit and Loss	1,716.06	1,500.00
Less : Depreciation Adjustment (Net of Deferred Tax)	-	(10.23)
Closing Balance	51,537.69	49,821.63
(e) Surplus in Statement of Profit and Loss		
As per Last Financial Statements	(706.88)	607.72
Add : Transferred during the year from Statement of Profit and Loss	3,821.67	1,634.43
Less : Appropriations		
Proposed Dividend	1,198.29	1,198.29
Tax on Proposed Dividend	243.95	250.74
Transfer to General Reserve	1,716.06	1,500.00
Net Surplus in Statement of Profit and Loss	(43.51)	(706.88)
(f) Foreign Currency Translation Reserve	(611.39)	(866.01)
Total Reserves and Surplus	54,012.14	51,378.09

5. LONG-TERM BORROWINGS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Secured		
(a) Term Loans		
- From Banks	5,028.20	13,351.58
- From Others	10,447.92	-
(b) Corporate Loans		
- From Banks	2,645.00	2,965.00
- From Others	20.93	-
	18,142.05	16,316.58



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

6. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Deferred Tax Liabilities		
In respect of difference between book & Tax W. D. V.	3,994.38	4,452.11
(b) Deferred Tax Assets		
In respect of disallowance under the Income Tax Act.	(1,886.15)	(1,177.61)
Net Deferred Tax Liability	2,108.23	3,274.50

The deferred tax liabilities/assets are off-set, where the group has a legally enforceable right to set-off assets against liabilities and are presented in Balance Sheet as follows :

Deferred Tax Liabilities	2,854.65	3,614.21
Deferred Tax Assets	746.42	339.71
	2,108.23	3,274.50

7. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Trade Payables	1,741.08	1,253.03
(b) Deposits	62.38	112.29
(c) Advance from Customers	5,451.90	5,909.35
(d) Pension Liabilities	4,707.47	4,030.39
	11,962.82	11,305.06

8. LONG-TERM PROVISIONS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for Employee Benefits:		
Provision for Leave Encashment	349.81	317.47
	349.81	317.47

9. SHORT-TERM BORROWINGS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Secured		
(a) Loans Repayable on Demand:		
Working Capital Loans		
- From Banks	36,965.81	32,050.34
Unsecured		
(a) Working Capital Loans		
- From Banks (Unsecured)	960.81	864.66
(b) Other Loans		
- From Others	655.00	1,049.00
	38,581.62	33,964.00

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

10. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Current Maturities of		
Term Loan (Secured)	3,533.08	4,353.84
Corporate Loan (Secured)	1,820.00	535.00
(b) Advance from Customers	9,923.52	14,554.80
(c) Interest accrued but not due on borrowings	170.73	127.00
(d) Unpaid dividends	122.28	127.71
(e) Statutory & Other liabilities	734.42	557.56
(f) Deposits	16.15	11.23
(g) Other Payable	33.73	162.72
	16,353.91	20,429.86

11. SHORT-TERM PROVISIONS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for Employee Benefits:		
Provision for Gratuity	77.76	52.37
Provision for Leave Encashment	59.93	137.82
Provision for Supperannuation	16.83	10.83
(b) Proposed Dividend	1,198.29	1,198.29
(c) Dividend Tax on Proposed Dividend	243.95	250.74
(d) Other Provisions	460.92	475.57
	2,057.68	2,125.62



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

12. FIXED ASSETS

(₹ in Lacs)

Sr. No.	Nature of Assets	Gross Block (At Cost)				Depreciation			Net Block		
		As at 1 st April 2015	Additions during the Year	Deductions during the Year	Exchange Rate Movements	As at 31 st March 2016	For the year	On Deductions during the Year	Exchange Rate Movements	As at 31 st March 2016	As at 31 st March 2015
I. Tangible Assets											
(a)	Land (Freehold)	2,138.35	-	(60.16)	-	2,078.19	-	-	-	2,078.19	2,138.35
(b)	Land (Leasehold)	8.38	3.98	-	-	12.36	2.49	-	-	9.87	8.38
(c)	Buildings	9,833.92	77.66	-	279.16	10,190.74	802.41	-	208.19	5,145.82	5,799.60
(d)	Plant and Machinery	61,930.34	1,152.18	(832.85)	584.41	62,834.08	4,474.66	(431.12)	279.40	27,142.67	30,561.87
(e)	Furniture and Fixtures	979.48	30.93	-	4.48	1,014.89	92.74	-	3.23	195.16	255.72
(f)	Vehicles	967.68	40.03	(64.73)	3.86	946.84	98.19	(47.70)	2.40	187.40	261.13
(g)	Office Equipments	3,690.82	183.43	(0.26)	2.89	3,876.88	138.80	(0.10)	1.49	328.08	282.21
(h)	Others :										
(i)	Electrical Installations	1,027.18	23.71	-	-	1,050.89	126.35	-	-	325.49	428.13
(ii)	Electrical Fittings	230.58	4.98	-	-	235.56	29.92	-	-	60.99	85.93
(iii)	Air Conditioning Plant	602.49	-	(3.75)	-	598.74	55.46	(1.58)	-	95.05	152.68
(iv)	Sundry Equipments	1,283.48	344.00	-	(285.19)	1,342.29	89.31	-	(161.24)	379.52	248.78
(v)	Site Office Equipments	80.48	10.84	-	1.57	92.89	16.64	-	(2.23)	2.08	4.08
(vi)	R&D Equipments	1,220.57	0.16	-	(0.20)	1,220.53	81.96	-	11.19	584.43	677.62
(vii)	Jigs	3.62	-	-	-	3.62	0.36	-	-	1.58	1.94
Total		83,997.37	1,871.90	(961.75)	590.98	85,498.50	6,009.29	(480.50)	342.43	48,962.17	40,906.42
Previous Year		85,042.09	1,647.15	(1,234.09)	(1,457.79)	83,997.37	6,542.38	(795.29)	(631.26)	43,090.95	47,066.97
II. Intangible Assets											
(a)	Technical Knowhow Fees	615.86	-	-	-	615.86	27.37	-	-	598.11	45.12
(b)	Software	551.48	130.32	-	-	681.80	107.58	-	-	274.53	384.53
(c)	Goodwill Aquisition	3,204.61	-	-	83.51	3,288.12	142.93	-	12.55	266.72	3,093.37
(d)	Licenses	640.50	12.79	-	-	653.29	107.45	-	-	419.40	328.55
(e)	Others - IPR	3,685.50	-	-	118.58	3,804.08	219.80	-	18.06	1,633.77	2,289.59
Total		8,697.95	143.11	-	202.09	9,043.15	605.13	-	30.61	3,192.53	6,141.16
Previous Year		9,220.92	17.35	-	(540.32)	8,697.95	615.49	-	(85.93)	2,556.79	7,193.69
Grand Total		92,695.32	2,015.01	(961.75)	793.07	94,541.65	6,614.42	(480.50)	373.04	52,154.70	47,047.58
Previous Year		94,263.01	1,664.50	(1,234.09)	(1,998.11)	92,695.32	7,157.87	(795.29)	(717.19)	45,647.74	54,260.66

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

13. NON-CURRENT INVESTMENTS (AT COST)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(A) Trade Investment (at Cost)		
(1) Investment in Associates :		
Cost of Investment	-	13.00
Add : Share of Post Acquisition Profit (Net of Accumulated Losses)	-	218.28
	-	231.28
(B) Other Investment (at Cost)		
(1) Investment In Property	68.61	72.62
(2) Investment In Equity Instruments (fully paid-up) (Quoted):	50.95	50.95
(3) Investment In Equity Instruments (fully paid-up) (Unquoted):	155.55	155.55
(4) Investments in Bond Non Trade (Quoted)	97.19	97.19
	372.30	607.59

14. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good		
(a) Capital Advances	193.42	77.02
(b) Deposits	929.90	921.99
(c) Advances Recoverable in Cash or Kind	12.04	12.51
(d) Advance Payment of Tax (Net of Provision for Taxation)	1,272.60	625.04
(e) MAT Credit Entitlement	73.35	73.35
	2,481.31	1,709.91

15. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good		
(a) Long term Trade Receivables	6,433.80	5,295.66
(b) Deposit with Original maturity of more than twelve (12) months	66.31	66.31
(c) Margin Money Deposit	13.00	13.00
	6,513.11	5,374.97



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

16. INVENTORIES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
At lower of Cost or Net Realisable Value		
(a) Raw Materials	12,893.40	13,641.52
(b) Raw Materials-in-Transit	1,813.10	2,447.03
(c) Semi-Finished Goods	15,536.56	13,766.44
(d) Finished Goods	5,171.05	3,458.68
(e) Stores and Spares	985.89	1,130.01
(f) Stock-in-Trade	163.82	185.58
	36,563.82	34,629.26

17. TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good		
(a) Outstanding for a period exceeding six (6) month from the Due date	39,795.05	32,942.40
(b) Others	50,043.61	52,880.06
	89,838.66	85,822.46

18. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Cash and Cash Equivalent		
(a) Balance with Banks:		
In Current Account	3,043.32	2,901.93
Deposit with Original Maturity of less than three (3) months	310.76	115.13
Unpaid Dividend Bank Account	124.59	127.71
(b) Cash on Hand	9.00	0.66
Other Bank Balances		
(a) Deposit with Original maturity of more than twelve (12) months	73.89	-
(b) Deposit with Original maturity of more than three (3) months but less than twelve (12) months	-	-
(c) Margin Money Deposit	-	5.09
	3,561.56	3,150.52

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

19. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured, Considered Good :		
(a) Advances Recoverable in Cash/Kind	8,361.96	8,185.98
(b) Balance with Collector of Custom, Port Trust, Excise etc.	2,376.24	1,768.32
(c) Loan to Staff	3.68	40.12
(d) Prepaid Expenses	1,313.57	883.15
(e) Security Deposits	3.15	2.77
	12,060.38	10,880.34

20. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Other Receivables		
- From Others	992.15	629.14
	992.15	629.14

21. REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Sale of Products		
Material Handling Equipments	39,048.14	40,796.06
Gear Sales	79,393.84	80,058.61
WTG Sales & Electricity Generation	28.09	25.63
Machinery, Spares and Others	2,281.09	3,219.74
	120,751.16	124,100.04
(b) Sale of Services		
Erection Charges	6,739.85	7,077.32
(c) Other Operating Revenues		
Miscellaneous/Scrap Sales	928.37	1,337.93
Duty Drawback	32.93	75.06
Machinery Hire Charges	13.32	13.32
Others	68.93	285.38
	1,043.55	1,711.69
	128,534.56	132,889.05



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

22. OTHER INCOME

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Interest Income	128.02	51.92
(b) Dividend Income	81.54	57.26
(c) Profit on Sales of Assets	2,222.06	808.14
(d) Net gain / Loss on Sale of Investments	-	35.84
(e) Rent Income	-	175.67
(f) Miscellaneous Income	1,183.74	532.91
	3,615.36	1,661.74

23. COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
Raw Materials Consumed	65,010.23	64,045.06
	65,010.23	64,045.06

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Opening Stock :		
Semi-Finished Goods (WIP)	13,770.36	16,554.02
Finished Goods	3,633.11	3,704.10
Stock-in-Trade	185.58	308.07
	17,589.05	20,566.19
(b) Closing Stock :		
Semi-Finished Goods (WIP)	15,536.56	13,770.36
Finished Goods	5,171.05	3,633.11
Stock-in-Trade	163.82	185.58
	20,871.43	17,589.05
	(3,282.38)	2,977.14

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

25. MANUFACTURING EXPENSES AND ERECTION CHARGES

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Stores, Tools and Spares Consumed	2,741.05	2,847.32
(b) Sub-Contracting Charges	9,961.74	8,021.15
(c) Power and Fuel	1,171.54	997.96
(d) Erection and Other Charges	2,283.58	1,500.15
(e) Other Manufacturing Expenses	1,854.35	1,323.93
	18,012.26	14,690.51

26. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Salaries and Wages (Incl. Managerial Remuneration)	12,206.84	11,472.65
(b) Contribution to Provident Fund	324.32	293.34
(c) Employees' Welfare Expenses	1,968.60	2,067.64
(d) Employees' Retirement Benefits	458.23	492.20
	14,957.99	14,325.83

27. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Material for prototyping	49.92	53.05
(b) Salaries and Wages, Contribution to Provident Fund & Other Funds & Related Expenses	278.64	209.57
(c) Travelling, Conveyance and Other expenses	17.18	28.36
(d) Repair & Maintenance R & D Equipments	13.29	-
(e) General Admin & Other Exps.	20.95	-
	379.98	290.98

28. FINANCE COST

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Interest Expense	6,864.81	6,111.96
(b) Other Borrowing Cost	506.52	1,234.84
(c) Applicable Net Gain/Loss on Foreign Currency Transactions/Translation	101.52	740.20
	7,472.85	8,087.00



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

29. OTHER EXPENSES

(₹ in Lacs)

	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(a) Technical Know how and Design Fees	269.09	362.01
(b) Rent	1,386.60	1,515.91
(c) Computer Software Charges	880.92	790.11
(d) Rates & Taxes (Incl. Wealth Tax Provision)	864.64	801.96
(e) Excise Duty (Excluding Duty Recovered from Customers)	97.54	(12.84)
(f) Repairs and Maintenance :		
Buildings	166.19	276.15
Machineries	1,550.40	1,432.93
Others	132.01	210.05
(g) Insurance (Net of Recoveries)	241.03	326.34
(h) Travelling Expenses	1,156.82	1,089.23
(i) Bank Charges	1,000.55	619.25
(j) Directors' Fees	17.04	14.18
(k) Commission to Non Executive Director	32.49	28.74
(l) Packing, Forwarding & Distribution Expenses (Net of Recoveries)	2,052.45	2,508.09
(m) Commission & Brokerage	2,453.73	2,516.85
(n) Rectification Expenses	195.19	96.42
(o) Bad Debts Written Off	488.53	893.62
(p) Liquidated Damages	266.86	299.50
(q) Advertisements & Sales Promotion Expenses	372.81	316.81
(r) Payment to Auditors	92.90	97.94
(s) Donations	6.91	10.65
(t) Expenditure on Corporate Social Responsibility	106.07	143.97
(u) Lease Rentals	1,066.08	1,140.63
(v) Royalty Paid	28.77	151.02
(w) Technical Inspection Consultancy Fees	3.50	14.76
(x) Other Professional Consultancy Fees	1,381.83	1,347.96
(y) General Administrative Charges	1,654.10	1,811.17
(z) Loss on account of Exchange Variation	31.20	24.22
(aa) Provision for Warranty	-	37.03
(ab) Miscellaneous Expenses	20.64	63.06
(ac) Sundry Debit Balance Written Off	-	1.74
	18,016.89	18,929.46

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

30. DESCRIPTION OF THE GROUP

The Consolidated Financial Statements comprise the financial statements of the Parent Company i.e. Elecon Engineering Company Limited and the following Subsidiaries / Step-Down Subsidiaries / Joint Ventures / Associate Companies :

Name of the Company	Country of Incorporation	% of Holding either directly or indirectly through a subsidiary	
		As at 31 st March, 2016	As at 31 st March, 2015
(a) Subsidiary Companies			
Elecon EPC Projects Limited	India	60.49	60.49
Elecon Transmission International Limited	Mauritius	100.00	100.00
Elecon Singapore Pte. Limited	Singapore	100.00	100.00
Elecon Middle East FZE	UAE	100.00	100.00
(b) Step Down Subsidiary Companies			
Benzlers Systems AB (Formerly known as David Brown Systems Sweden Limited)	Sweden	100.00	100.00
Radicon Transmission UK Limited	United Kingdom	100.00	100.00
AB Benzlers	Sweden	100.00	100.00
Elecon US Transmission Limited	USA	100.00	100.00
Benzler Transmission A.S.	Denmark	100.00	100.00
Benzler Antriebstechnik G.m.b.h	Germany	100.00	100.00
Benzler TBA B.V.	Netherlands	100.00	100.00
Benzler Antriebstechnik Ges.m.b.h	Austria	100.00	100.00
OY Benzler AB	Finland	100.00	100.00
Benzlers SDN BDH	Malaysia	100.00	100.00
Benzlers Italia s.r.l.	Italy	100.00	100.00
(c) Joint Ventures			
Eimco Elecon (India) Limited	India	16.62	16.62
(d) Associate Companies			
Elecon Eng. (Suzhou) Co. Limited	China	50.00	50.00
Elecon Africa Pty. Limited	South Africa	50.00	50.00
Elecon Australia Pty. Limited	Australia	50.00	50.00
Elecon Peripherals Limited (upto October, 2015)	India	-	24.99



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

31. CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Contingent Liabilities :		
<u>Claims not acknowledged as debt</u>		
(i) Disputed Excise Duty against Demand Notices received	7,247.59	7,139.30
(ii) Service Tax disputed and paid under protest	332.99	241.92
(iii) Disputed Sales Tax/Works Contract Tax	2,942.98	2,230.75
(iv) Disputed Income Tax Demand-Disputed by Company	647.40	637.03
(v) Disputed Income Tax Demand-Disputed by Income Tax Authorities	367.31	377.64
(vi) Sales Bills Discounted under LC with Banks	604.64	1,042.65
(vii) NexGen Energy Partners, LLC of USA has filed a case bearing no. 2011 CV 0066, against Reflecting Blue Technologies (RBT) of USA and the Company, in the court of Ohio, USA on account of non performing of Wind Mill supplied through Reflecting Blue Technologies (RBT). The matter is pending in the court of Ohio, USA and amount of claim is unascertainable.	Unascertained	Unascertained
(viii) In respect of arbitration proceeding as directed by Honorable Gujarat High Court in response to an application made by one of the contractor of the Company for ₹ 206.07 Lacs however the Company has made a counter claim of ₹ 200.00 Lacs with the same arbitrator in response and as per the books of account ₹ 51.88 Lacs is due to him.	152.36	154.19
(ix) Mortgage and pledge	2,597.39	2,578.27
(x) Contingent liability with PRI for AB Benzlers (Sweden)	78.57	74.15
(xi) Bonus for Financial Year 2014-15	151.75	-
<u>Guarantees</u>		
(i) Guarantees issued by Company's Bankers	57,114.15	55,447.07
(ii) Corporate Guarantee provided to Swedish Pension Authority to the tune of SEK 15.00 Million as a security, in replacement of earlier guarantee given by erstwhile owner, for the purchase of pension insurances relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, a Wholly Owned Subsidiary of the Company.	1,223.93	1,082.30
iii) The Company has provided Corporate Guarantee to Bank of Baroda, Dubai to the tune of GBP 7,216,000 and US\$ 282,99,876 as a security for repayment of Financial facility availed by Elecon Transmission International Limited, Mauritius, a wholly owned subsidiary of the Company.	25,612.67	24,344.64
(iv) The Company has provided Corporate Guarantee to SBI, Consortium to the tune of ₹ 91,880.00 Lacs as a security for repayment of Financial facilities availed by Elecon EPC Projects Limited, a subsidiary of the Company.	91,880.00	91,880.00
(v) Corporate Guarantee has been provided to SBI Consortium to the tune of ₹ 44,125.00 Lacs as a security for repayment of Financial the facility availed by Elecon Engineering Company Limited, a holding Company.	44,125.00	44,125.00
(vi) Guarantees for floating charges	1,617.42	1,526.37
(b) Commitments :		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	929.95	1,436.57
(ii) Liability for Export Obligation under Export Promotion Capital Goods Scheme	-	1,525.92
(iii) Liability for Export Obligation under Advance License	1,552.05	-

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

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
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(c) The share in contingent liabilities and capital commitments in relation to its interests in joint ventures is as follows :

Contingent Liabilities

Disputed demands of Income Tax / Sales Tax / Excise duty	205.39	195.02
Letters of credit outstanding	-	-
Guarantees given by Company on behalf of third party	488.88	461.00
Guarantees given by the bankers on behalf of the Company	337.64	-
Estimated amount of contracts remaining to be executed on capital account	50.89	20.18

32. RETIREMENT BENEFITS

- i) The Liability in respect of Gratuity and Leave Encashment is determined based on the Actuarial Valuation done by Actuary as at Balance Sheet date in context of the Revised AS-15 issued by the ICAI, and the liability for pension pertains to Foreign Subsidiaries, as accounted by them in their Financial Statements :-

(₹ in Lacs)

	Gratuity	Leave Encashment	Pension Liability
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Expense recognized in the Statement of Profit and Loss :-

Current Service Cost	2015-16	81.77	46.13	6.24
	2014-15	70.50	46.42	34.89
Interest Cost	2015-16	108.29	28.42	151.53
	2014-15	56.19	29.90	164.20
Expected Return on Plan Assets	2015-16	(99.74)	-	-
	2014-15	(39.03)	-	-
Net Actuarial (Gains) / Losses	2015-16	53.96	36.81	-
	2014-15	82.40	53.47	-
Total Expenses	2015-16	144.28	111.36	157.77
	2014-15	170.06	129.79	199.09

Net Asset / (Liability) recognized in the Balance Sheet :-

Present value of Defined Benefit Obligation	2015-16	1,440.04	396.50	4,707.47
	2014-15	1,361.16	357.07	4,029.90
Fair value of plan assets	2015-16	1,368.36	-	-
	2014-15	1,254.46	-	-
Funded status [Surplus / (Deficit)]	2015-16	(71.68)	(396.50)	(4,707.47)
	2014-15	(106.70)	(357.07)	(4,029.90)
Net asset /(liability)	2015-16	(71.68)	(396.50)	(4,707.47)
	2014-15	(106.70)	(357.07)	(4,029.90)



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

(₹ in Lacs)

Gratuity | Leave Encashment | Pension Liability

Change in Obligation during the Year :-

Present value of Defined Benefit Obligation at beginning of the year	2015-16	1,361.16	357.07	4,029.90
	2014-15	1,249.46	320.55	5,129.44
Current Service Cost	2015-16	81.77	46.14	6.24
	2014-15	70.50	46.42	34.89
Interest Cost	2015-16	108.29	28.42	151.53
	2014-15	116.58	29.90	164.20
Acturial (Gains) / Losses	2015-16	55.87	35.82	-
	2014-15	55.47	53.47	-
Benefits Payments	2015-16	(167.06)	(70.94)	-
	2014-15	(130.85)	(93.27)	-
Increase / (Decrease) in obligation due to fluctuation in exchange rates	2015-16	-	-	520.09
	2014-15	-	-	(1,298.63)
Present value of Defined Benefit Obligation at the end of the year	2015-16	1,440.03	396.51	4,707.76
	2014-15	1,361.16	357.07	4,029.90

Change in Assets during the Year :-

Plan assets at the beginning of the year	2015-16	1,254.46	-	-
	2014-15	1,142.90	-	-
Transfer From other Company	2015-16	1.84	-	-
	2014-15	-	-	-
Transfer To other Company	2015-16	(2.60)	-	-
	2014-15	-	-	-
Expected return on plan assets	2015-16	99.74	-	-
	2014-15	99.42	-	-
Contributions by Employer	2015-16	180.05	-	-
	2014-15	169.92	-	-
Actual benefits paid	2015-16	(167.06)	-	-
	2014-15	(130.85)	-	-
Actuarial (Gains) / Losses	2015-16	1.93	-	-
	2014-15	(26.94)	-	-
Plan assets at the end of the year	2015-16	1,368.35	-	-
	2014-15	1,254.46	-	-

Actuarial Assumptions :-

Discount Rate	2015-16	7.99%	7.99%	3.00%
	2014-15	9.33%	9.33%	3.00%
Expected rate of return on plan assets	2015-16	7.99%	-	7.00%
	2014-15	8.70%	-	7.00%
Mortality pre retirement	2015-16	-	-	-
	2014-15	-	-	-
Turnover rate	2015-16	2.00%	2.00%	-
	2014-15	2.00%	2.00%	-
Rate of escalation in salary (p.a.)	2015-16	6.50%	6.50%	3.00%
	2014-15	6.50%	6.50%	3.00%

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

- The rate of escalation in Salary (p.a.) considered in actuarial valuation is worked out after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Mortality rates are obtained from the relevant data of Life Insurance Corporation of India.
- Liability in respect of Superannuation benefits extended to eligible employees is contributed by the Company to Life Insurance Corporation of India against a Master Policy @ 15% of the basic Salary of all the eligible employees subject to Maximum of ₹ 1.00 lac. The Company is providing for the outstanding Liability amount allocable to the broken period beyond the balance sheet date.

33. SEGMENT INFORMATION

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
I. Business Segments		
Segment Revenue		
Material Handling Equipment	47,954.35	51,742.65
Transmission Equipment	85,337.86	85,458.10
Others	2,319.81	3,264.29
Total	135,612.02	140,465.04
Less: Inter Segment Revenue	(7,077.46)	(7,575.99)
Net Sales / Income from Operation	128,534.56	1,32,889.05
Segment Profit & Loss Before Tax & Interest		
Material Handling Equipment	200.02	3,296.41
Transmission Equipment	11,423.32	7,675.89
Others	378.51	507.61
Total	12,001.85	11,479.91
Less : Finance Cost	(7,472.85)	(8,087.00)
Total Profit Before Tax	4,529.00	3,392.91
Capital Employed		
Segment wise Assets		
Material Handling Equipment	101,631.24	97,750.81
Transmission Equipment	96,782.33	94,796.75
Others	3,968.27	3,873.00
Segment wise Liabilities		
Material Handling Equipment	40,795.00	43,734.43
Transmission Equipment	46,163.20	44,984.84
Others	400.86	589.40
Segment wise Capital Employed		
Material Handling Equipment	60,836.24	54,016.38
Transmission Equipment	50,619.13	49,811.91
Others	3,567.41	3,283.60
Total Capital Employed	115,022.78	107,111.89

- Since, the figures of Alternate Energy Division (AED) are not reportable segment, as per the requirements of AS – 17, they are not shown separately.
- The Company has disclosed Business Segment as primary segment.
- Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting systems.
- The Segment Revenue, Results, Assets and Liability include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.



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

II. Geographical Segments

Information about Geographical Segments

(₹ in Lacs)

Particulars		India	ROW	Total
Revenue	2015-16	94,704.58	33,829.98	128,534.56
	2014-15	90,405.06	42,483.99	132,889.05
Carrying amounts of Segment Assets	2015-16	171,156.40	31,225.45	202,381.85
	2014-15	163,869.36	32,551.20	196,420.56
Capital Expenditure	2015-16	1,595.29	419.72	2,015.01
	2014-15	1,204.61	459.91	1,664.52

34. EARNING PER SHARE

(₹ in Lacs, except per share data)

	As at 31 st March, 2016	As at 31 st March, 2015
Basic & Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earning Per Share" (Before and after extraordinary items)		
a) Profit for Basic & Diluted Earning Per Share as per Statement of Profit and Loss	3,821.67	1,634.43
b) Weighted average number of equity shares	108,935,843	108,935,843
c) Earning Per Share (Basic & Diluted)	3.51	1.50
d) Face Value per Share	2.00	2.00

35. 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 & Joint Ventures
 - (i) Eimco Elecon (India) Limited
 - (ii) Elecon Australia Pty. Limited
 - (iii) Elecon Africa Pty. Limited
 - (iv) Elecon Engineering (Suzhou) Co. Limited, China
 - (v) Elecon Peripherals Limited (Associate upto October, 2015)
- b) Individual having Control/Significant Influence
 - (i) Shri Prayasvin B. Patel
- c) Collaborators
 - (i) Sandvik Mining & Const. S.E.A. Pte Limited
 - (ii) Sandvik Asia Private Limited
- d) Key Management Personnel
 - (i) Shri Prayasvin B. Patel
 - (ii) Shri Prashant C. Amin
- e) Enterprises over which (b) or (d) above have Significant Influence
 - (i) Bipra Investments & Trusts Private Limited
 - (ii) Devkishan Investment Private Limited
 - (iii) K. B. Investments Private Limited
 - (iv) Elecon Information Technology Limited
 - (v) Emtici Engineering Limited
 - (vi) Prayas Engineering Limited
 - (vii) Specialty Wood Pack Private Limited
 - (viii) Power Build Private Limited
 - (ix) Kirloskar Power Build Gears Limited
 - (x) Akaish Mechatronics Limited

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

- (xi) Madhuban Prayas Resorts Limited
- (xii) Wizard Fincap Limited
- (xiii) Eimco Elecon Electricals Limited
- (xiv) Excel EPC Projects Private Limited
- (xv) Aishpra Properties Private Limited
- (xvi) Akaaipra Infracon Private Limited
- (xvii) BIP Buildcon Private Limited
- (xviii) Madhuban Heights Private Limited
- (xix) MTC Buildcon Private Limited
- (xx) Aakaash Investment Private Limited
- (xxi) Elecon Pheripharals Limited (from November, 2015)

B) Nature of Transactions :

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Purchase of Material / Finished Goods		
From Enterprises over which significant influence can be exercised		
(i) Elecon Peripharals Limited	1,128.59	714.99
(ii) Speciality Wood Pack Private Limited	692.80	663.23
(iii) Eimco Elecon Electricals Limited	10.25	21.05
(iv) Others	221.93	161.99
Job Work Income		
From Enterprises over which significant influence can be exercised		
(i) Power Build Private Limited	27.06	34.44
(ii) Elecon Peripherals Limited	12.95	7.80
(iii) Others	-	1.08
Job Work Expenses		
From Enterprises over which significant influence can be exercised		
(i) Power Build Private Limited	31.42	6.03
(ii) Elecon Peripherals Limited	37.82	39.15
(iii) Others	22.78	4.30
Sale of Finished Goods / Consumable Stores		
To Enterprises over which significant influence can be exercised		
(i) Power Build Private Limited	294.30	177.00
(ii) Others	157.56	0.52
To Joint Venture		
(i) Eimco Elecon (India) Limited	376.30	565.40
To Collaborators		
(i) Sandvik Asia Private Limited	0.05	7.35
Purchase of Fixed Assets		
To Enterprises over which significant influence can be exercised		
(i) Elecon Information Technologies Limited	142.15	31.89
(ii) Emtici Engineering Limited	-	4.73
(iii) Prayas Engineering Limited	-	-
(iv) Others	-	2.51
Sale of Fixed Assets		
To Enterprise over which significant influence can be exercised		
(i) Power Build Private Limited	-	45.83
(ii) Emtici Engineering Limited	2,501.02	-
(iii) Others	0.07	3.50
To Joint Venture		
(i) Eimco Elecon (India) Limited	-	837.97



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

B) Nature of Transactions (Contd....)

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Expenses Charged to Other Co.		
To Enterprises over which significant influence can be exercised		
(i) Power Build Private Limited	64.45	162.22
(ii) Emtici Engineering Limited	59.29	81.62
(iii) Elecon Peripherals Limited	20.46	22.57
(iv) Others	66.39	21.70
To Joint Venture		
(i) Eimco Elecon (India) Limited	5.88	22.09
Exp. Charged by Other Company		
By Enterprises over which significant influence can be exercised		
(i) Akaaish Mechatronics Limited	847.69	840.07
(ii) Elecon Information Technologies Limited	219.13	168.22
(iii) Emtici Engineering Limited	973.50	1,246.37
(iv) Prayas Engineering Limited	270.45	274.94
(v) Others	513.01	197.30
To Joint Venture		
(i) Eimco Elecon (India) Limited	46.90	70.04
Dividend Received		
From Joint Venture		
(i) Eimco Elecon (India) Limited	39.96	32.91
Remuneration		
(i) Shri Prayasvin B. Patel	361.19	466.47
(ii) Shri Prashant C. Amin	214.62	238.39

C) Balance at the Year end :

(₹ in Lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
(i) Outstanding Payables:		
(a) Associates & Joint Ventures		
(i) Eimco Elecon (India) Limited	54.50	70.01
(b) Enterprises over which Note No. 35(A)(b) or 35(A)(d) of above have significant influence		
(i) Emtici Engineering Limited	36.09	165.68
(ii) Prayas Engineering Limited	15.98	22.88
(iii) Elecon Information Technology Limited	94.77	-
(iv) Akaaish Mechatronics Limited	86.32	105.89
(v) Elecon Peripherals Limited	451.78	250.63
(vi) Others	202.60	91.99
(ii) Outstanding Receivables:		
(a) Associates & Joint Ventures		
(i) Eimco Elecon (India) Limited	121.25	45.66
(ii) Others	0.14	-
(b) Enterprises over which Note No. 35(A)(b) or 35(A)(d) of above have significant influence		
(i) Emtici Engineering Limited	93.45	0.94
(ii) Power Build Private Limited	18.87	118.06
(iii) Elecon Peripherals Limited	2.83	14.55
(iv) Others	2.16	7.15

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

36. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity in the Group	Net assets, i.e., Total Assets minus Total Liabilities		Share of Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss	Amount (₹ in Lacs)
Parent				
1. Elecon Engineering Company Limited	7.05%	3,961.16	108.53%	4,147.48
Subsidiaries				
Indian				
1. Elecon EPC Projects Limited	80.87%	45,442.47	-39.82%	(1,521.65)
Foreign				
1. Elecon Transmission International Limited	6.93%	3,893.68	-1.77%	(67.46)
2. Elecon Middle East FZE	3.07%	1,724.25	10.08%	385.23
3. Elecon Singapore Pte. Limited	1.07%	600.51	0.36%	13.92
Minority Interests in all Subsidiaries	-5.36%	(3,014.59)	15.38%	587.63
Joint Ventures (as per proportionate consolidation)				
Indian				
1. Eimco Elecon (India) Limited	6.38%	3,583.37	7.24%	276.52
Total	100.00%	56,190.86	100.00%	3,821.67

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

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES COMPANIES AS PER COMPANIES ACT, 2013

Statement pursuant to Section 129 (3) of the Companies Act, 2013 Related to Subsidiary, Associate Companies and Joint Ventures

Annexure - A

(All figures in Lacs except %)

Name of the Subsidiary Company	Currency	Paid up Capital	Reserves & Surplus	Total Assets (including Investments in Subsidiary)	Total Liability	Investments (excluding Investments in Subsidiary)	Turnover	Profit/(Loss) Before Tax	Provision for Taxation	Profit/(Loss) After Tax	Proposed Dividend	% of Share holding
Elecon EPC Projects Limited	INR	12,776.66	7,586.23	101,915.69	81,552.80	-	48,205.24	(2,276.41)	(788.93)	(1,487.48)	-	60.49
Elecon Transmission International Limited	INR	10,812.81	(5,224.69)	16,949.17	11,049.63	-	202.96	(802.54)	1.03	(803.57)	-	100.00
	GBP	116.95	(54.93)	178.18	116.16	-	2.06	(8.14)	0.01	(8.15)	-	-
Elecon Singapore Pte. Limited	INR	407.40	146.36	802.18	214.89	-	1,026.08	18.22	4.31	13.92	-	100.00
	SGD	8.98	2.98	16.33	4.38	-	21.74	0.39	0.09	0.29	-	-
Elecon Middle East FZE	INR	101.74	1,697.37	2,018.83	213.26	-	2,374.06	385.23	-	385.23	-	100.00
	AED	6.00	94.12	111.95	11.83	-	133.32	21.63	-	21.63	-	-
Benzler Systems AB	INR	7.26	4,095.37	4,215.14	111.61	-	4.72	1.74	(0.38)	2.11	-	100.00
	SEK	1.00	501.91	516.59	13.68	-	0.61	0.22	(0.05)	0.27	-	-
Radicon Transmission UK Limited	INR	1,993.44	195.93	12,781.13	10,534.35	-	13,810.86	552.92	93.02	459.89	-	100.00
	GBP	21.56	2.06	134.37	110.75	-	140.12	5.61	0.94	4.67	-	-
AB Benzlers	INR	943.29	2,081.85	10,515.62	7,373.03	-	10,348.04	31.61	-	31.61	-	100.00
	SEK	130.00	255.14	1,288.76	903.61	-	1,338.15	4.09	-	4.09	-	-
Elecon US Transmission Inc.	INR	312.48	319.71	4,913.14	4,262.17	-	6,219.61	71.31	-	71.31	-	100.00
	USD	5.00	4.83	74.16	64.33	-	95.03	1.09	-	1.09	-	-
Benzler Transmission A.S.	INR	134.99	157.79	444.38	134.84	-	1,340.73	51.98	11.81	40.17	-	100.00
	DKK	15.00	15.60	43.93	13.33	-	138.46	5.37	1.22	4.15	-	-
Benzler Antriebstechnik G.m.b.h	INR	68.45	406.81	609.94	126.05	-	1,099.25	68.00	21.41	46.59	-	100.00
	EURO	1.02	5.40	8.09	1.67	-	15.21	0.94	0.30	0.64	-	-
Benzler TBA B.V.	INR	136.76	641.97	1,601.05	805.08	-	2,364.62	151.80	33.59	118.21	-	100.00
	EURO	2.04	8.52	21.24	10.68	-	32.73	2.10	0.46	1.64	-	-
OY Benzler AB	INR	101.33	3.37	170.05	52.58	-	608.63	4.04	0.81	3.23	-	100.00
	EURO	1.51	0.04	2.26	0.70	-	8.42	0.06	0.01	0.04	-	-
Benzlers Italia s.r.l.	INR	6.69	26.38	167.31	133.40	-	483.71	26.63	14.13	12.51	-	100.00
	EURO	0.10	0.35	2.22	1.77	-	6.70	0.37	0.20	0.17	-	-

As on 31.03.16: 1 GBP = 95.12 INR, 1 USD = 66.25 INR, 1 EURO = 75.38 INR, 1 MYR = 16.95 INR, 1 SGD = 49.11 INR, 1 DKK = 10.12 INR, 1 AED = 18.03 INR, 1 SEK = 8.16 INR



**SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES
AS PER COMPANIES ACT, 2013**

Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures

Part B: Joint Ventures

Name of Joint Ventures	Eimco Elecon (India) Limited
1. Latest audited Balance Sheet Date	31-Mar-16
2. Shares of Joint Venture held by the Company on the year end No.	958,426
Amount of Investment in Joint Venture (₹ In Lacs)	217.29
Extend of Holding %	16.62%
3. Description of how there is significant influence	Note - A
4. Reason why the joint venture is not consolidated	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ In Lacs)	3,583.37
6. Profit / Loss for the year	
i. Considered in Consolidation (₹ In Lacs)	276.52
ii. Not Considered in Consolidation	-

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

37. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

38. Note 1 to 37 form an integral part of the financial statements.

Signature to Balance Sheet and Statement of Profit and Loss and note 1 to 36.

As per our report of even date attached

For and on behalf of

THACKER BUTALA DESAI

Chartered Accountants

M. T. Desai

Partner

M. No. 030911

Firm Regi. No. 110864W

Place : Vallabh Vidyanagar

Date : 27-04-2016

For and on behalf of the Board of Directors

Prayasvin Patel

Chairman and Managing Director

DIN : 00037394

Rajat Jain

Chief Financial Officer

Place : Vallabh Vidyanagar

Date : 27-04-2016

Jal Patel

Director

DIN : 00065021

Parthiv Parikh

Company Secretary



NOTICE

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting of members of Elecon Engineering Company Limited will be held on Tuesday, the 26th day of July, 2016 at 5.00 p.m. at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, Statement of Profit & Loss for the year ended on that date and Cash Flow Statements (Both Standalone and Consolidated) along with the Report of Board of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares.

3. To appoint a Director in place of Shri Pradip M. Patel (DIN 00012138), who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the appointment of M/s. Thacker Butala Desai, Chartered Accountants, (Firm Regn. No. 110864W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 57th Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company hereby approves the appointment of M/s. B S R & Co. LLP, Chartered Accountants, (LLP Regn. No. AAB 8181), as Joint Statutory Auditors of the Company to hold office for a period of 5 (Five) years from the conclusion of ensuing Annual General Meeting of the Company until the conclusion of Annual General Meeting to be held for the financial year 2020-21 on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, copy of which is placed before the meeting, be and is hereby approved and adopted in substitution, and to the entire exclusion, of the existing Articles of Association of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deed and things as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of Board of Directors

Registered office:

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

Date : April 27, 2016

Parthiv Parikh
Company Secretary

NOTES

1. Statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.
The instruments of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. All documents referred to in the Notice or in the accompanying statement are available for inspection by members on all working days, except Saturdays, Sundays and public holidays, between 10.00 A.M. to 1.00 P.M. prior to the date of the Annual General Meeting and will also be available for inspection at the meeting
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten (10) days before the meeting so as to enable the management to keep the information ready.
5. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Share Transfer Agent of the Company at their address at B-102/103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara - 390 015 Telephone No. 0265-2356573, 2356794, Fax. : 0265-2356791 for both physical and demat segments of Equity Shares.
Please quote on all such correspondence – “Unit – Elecon Engineering Company Limited.” For Shareholders queries – Telephone No. 0265-2356573, 2356794 Email ID vadodara@linkintime.co.in.
6. The relevant information for item Nos. 3 & 5 to 7 are annexed here to pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015.
7. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 20th July, 2016 to Monday, 25th July, 2016 (both days inclusive).
8. Members are requested to bring their copy of Annual Report at the meeting. Spare copies will not be available.
9. Members who have not encashed their dividend warrants may approach the Company/R&T Agent for obtaining duplicate warrants.
10. The annual listing fees for the year 2016-17 have been paid to the Stock Exchanges where Company's shares are listed.
11. Members who hold the shares in dematerialised form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.
12. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Company or its Registrar and Share Transfer Agent.
In case the shares are held in dematerialized form, then such information should be furnished directly to their respective depository participant only.
13. Any request by shareholders for change of bank particulars after dispatch of dividend warrant should be accompanied by copy of Client Master list showing the changed bank details.
14. The payment of dividend on equity shares as recommended by the Directors for the year ended 31st March, 2016 when declared at the AGM will be paid:
 - (i) to those members whose names appear in the Register of Members of the Company on Monday, the 25th day of July, 2016.
 - (ii) in respect of shares held in electronics form, to those “deemed members” whose names appear on the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) at the end of business hours on Tuesday, the 19th day of July, 2016.
15. The Company has designated an email ID called investor.relations@elecon.com for Redressal of Shareholders'/Investors' Complaints/Grievances. Hence, please write to us at investor.relations@elecon.com.
16. **The instructions and other information relating to Remote E-Voting are as under:**
 - (i) The voting period begins on Saturday, 23rd July, 2016 at 9.00 a.m. and ends on Monday, 25th July, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 19th July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Physical Members who have not updated their PAN with the Company are requested to use the lowest certificate number in the PAN field. In case the certificate number is less than 10 digits enter the applicable number of 0's before the number. Eg. If your certificate number is 1000 then enter 0000001000 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member ID / Folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the "EVSU-160607010-Elecon Engineering Company Limited"
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF REMOTE E-VOTING PERIOD:

1. The e-voting period commences on Saturday, 23rd July, 2016 at 9.00 a.m. and ends on Monday, 25th July, 2016 at 5.00 p.m. During this period Shareholders of the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholder the Shareholder shall not be allowed to change it subsequently.

The scrutinizer shall, on conclusion of the e-voting, unblock the votes in the presence of atleast two (2)

witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and forward to the Chairman of the Company.

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

2. The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company.
3. Mr. Dinesh Bhimani, Practising Secretary (Membership No. FCS: 8064; CP No; 6628) has been appointed as the Scrutinizer to scrutinize the e-voting process.
4. Facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
5. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. Voting rights be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 19th July, 2016.

By order of Board of Directors

Registered Office :

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120.
Gujarat.

Date : April 27, 2016

Parthiv Parikh
Company Secretary



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the terms of office of present Statutory Auditors - M/s. Thacker Butala Desai, Chartered Accountants will expire on the conclusion of 57th Annual General Meeting for the year 2016-17.

With a view to ensure smooth transition, it is proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants as Joint Statutory Auditors of the Company for a period of five years from the conclusion of ensuing Annual General Meeting of the Company for the financial year 2015-16 until the conclusion of Annual General Meeting for the financial year 2020-21.

M/s. B S R & Co. LLP, Chartered Accountants is one of the fastest growing big 4 firms in Gujarat and has large client base spanning Indian business, listed Companies and Multinationals in India across sectors. They are leaders in IFRS and International Reporting. The said firm has an experience in Indian GAAP, IFRS and US GAAP led by expert partners and Directors, and has access to the international knowledge and methodology of KPMG International.

It is expected that the Company will be immensely benefited by their association.

The Audit Committee & Board at their respective meetings held on 27th April, 2016 recommended and approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, as Joint Statutory Auditors of the Company subject to the approval of members for a period of five years from the conclusion of ensuing Annual General Meeting of the Company for the financial year 2015-16 until the conclusion of Annual General Meeting for the financial year 2020-21 of the Company.

The Board recommends the Resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 6

It is proposed to replace the existing set of Articles of Association with a new set of Articles of Association containing regulations in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The draft articles are available for your inspection at the Registered Office of the Company, at any time during the working hours on any working day till the date of AGM. The same are also placed on the website of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of shareholders by way of special resolution.

Hence, the Board recommends the Resolution for your approval.

None of the Directors or Key Managerial Personnel and their relatives is interested or concerned in the said Resolution except to the extent of their shareholding in the Company.

ITEM NO. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees (₹)
1	Y. S. Thakar & Co.	Engineering	52,500/- Plus Govt. Levies/Taxes as applicable and out-of-pocket expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

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

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office :

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : April 27, 2016

By order of Board of Directors

Parthiv Parikh
Company Secretary

**Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
(Pursuant to SEBI (LODR) Regulations, 2015)**

Name of Director	Shri Pradip M. Patel
Date of Birth	05-11-1947
Date of Appointment	14-11-1977
DIN	00012138
Nationality	British
Expertise in specific Functional areas	Associated with the Bearing Industry for over three decades. Joined ABC Bearing Ltd. on 7th September, 1973. Director in ABC Bearings Ltd. since 1 st August, 1976. Managing Director of ABC Bearings Ltd. since 1 st August, 1981.
Qualifications	M.B.A. (U.S.A)
List of Public/Private Companies in which outside Directorship held as on 31st March, 2016.	- ABC Bearings Ltd. - Eimco Elecon (I) Ltd. - Emtici Engineering Ltd. - Elecon EPC Projects Ltd. - Power Build Pvt. Ltd. - NSK-ABC Bearings Pvt. Ltd. - Manoway Investment Pvt. Ltd. - Ziwani Properties Pvt. Ltd. - Mipco Investments Pvt. Ltd. - Maple Investments Co. Pvt. Ltd. - Emsons Leasing Co. Pvt. Ltd. - Taveta Properties Pvt. Ltd. - Tech Elecon Pvt. Ltd. - Elecon Hydraulics Pvt. Ltd. - Aakaish Investments Pvt. Ltd.
Chairman/Member of the Committees of the Public Companies on which he is a Director as on 31st March 2016.	- ABC Bearings Limited - Stakeholders Relationship Committee - Member - Eimco Elecon (India) Limited - Audit Committee - Member - Stakeholders Relationship Committee - Member - Elecon Engineering Company Limited - Audit Committee - Member - Stakeholders Relationship Committee - Member
No. of Shares held	43,161
Relationship with any Director of the Company	Sister's Husband of Shri Prayasvin B. Patel, Chairman & Managing Director



ELECON ENGINEERING COMPANY LIMITED

CIN : L29259GJ1960PLC001082

Anand-Sojitra Road,
Vallabh Vidyanagar – 388 120
Tal. & Dist. Anand, Gujarat.
Tel No. (02692) 227109, 230166
Fax No. (02692) 227484, 227020
Website : www.elecon.com

Dear Shareholder,

RE : Electronic Credit of Dividend

The Reserve Bank of India has introduced National Electronic Clearing Service (NECS) in banking system to bring in further efficiency and uniformity in electronic credit. NECS has wider coverage than ECS and has no limitations of location in India. NECS ensures quick credit and no rejections. NECS is operational for banks / bank branches leveraging on Core Banking System (CBS), which provide more than ten digit bank account number to its customers.

As per our records, there is no mandate registered either with us or with your DP. To take advantage of the NECS facility and to enable us to route all your future dividend payments electronically, please return the NECS mandate form, given overleaf.

ADVANTAGES OF REGISTERING NECS MANDATE

- No limitations of location in India.
- Quick remittance of dividend.
- Avoid loss of dividend warrants in Postal transit.
- Avoid fraudulent encashment of dividend.
- Avoid revalidation of unencashed dividend warrants.
- Avoid transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF).

PLEASE HURRY UP & FILL IN THE FORM OVERLEAF AND ENSURE ELECTRONIC CREDIT.

Kindly return the completed mandate form given overleaf.

Best Regards,

For Elecon Engineering Company Limited

Parthiv Parikh
Company Secretary

NOTE : For shares held in physical form, please submit this form to our Registrars and Share Transfer Agents viz., M/s. Link Intime India Pvt. Ltd. at the address mentioned overleaf and for shares held in demat form, please submit the form to your Depository Participant (DP).

NECS MANDATE FORM

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO :

The following address if shares are held in physical form

OR

To your DP if shares are held in demat form

To,

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.

1. Name of 1st Registered holder :
(in Block Letters)

2. Folio No. / DPID & Client ID No. :

3. Name of the Bank :

4. Name of the Branch :

5. Account Number :
(As appearing on your Cheque Book)

6. Account Type (Saving Bank A/c. :
Current A/c. or Cash Credit)
with code

S.B.	Current	Cash Credit

7. 9-Digit MICR Code Number of the Bank :
& Branch appearing on the MICR
cheque issued by the Bank.

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(Please attach a photocopy of a cheque or cancelled cheque for verifying the accuracy of the MICR code Number)

8. *11-Digit IFSC Code :
(Optional - Can be obtained from your banker)

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Signature of the First Registered Shareholder
(As per the specimen signature with the Company / DP)

Name :

Address :

Phone No.:

Date :

Email Id :

* The Company, its Registrars and Bankers will make best endeavors to remit dividend through NECS. However, for non CBS branches of the banks, the IFSC Code will be utilized to remit the dividend either by National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). The branch where you operate your bank account will assist you to provide the IFSC, a 11-digit code to enable the remittance through NEFT or RTGS.

Name of the Company : ELECON ENGINEERING COMPANY LIMITED
CIN : L29259GJ1960PLC001082
Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Anand, Gujarat.

ATTENDANCE SLIP

56th Annual General Meeting
on Tuesday, 26th July, 2016
at 5.00 p.m. at Audio Visual Hall,
Eimco Elecon Building,
Anand-Sojitra Road,
Vallabh Vidyanagar - 388120.
Gujarat.

Folio No./Client ID & DP ID

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

I record my presence at the
56th Annual General Meeting

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

Signature of Member/Proxy

PROXY FORM

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

CIN : L29259GJ1960PLC001082
Name of the Company : ELECON ENGINEERING COMPANY LIMITED
Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Anand, Gujarat.

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

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

- Name :
Address :
Email ID : Signature : or falling him
- Name :
Address :
Email ID : Signature : or falling him
- Name :
Address :
Email ID : Signature : or falling him

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 56th Annual General Meeting of the Company, to be held on Tuesday, the 26th July, 2016 at 05.00 p.m. at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388120, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below :

- Adoption of Audited Financial Statements (Both Standalone and Consolidated) of the Company for the Financial Year ended on 31-03-2016 together with the Report of the Board of Directors and Auditors thereon.
- Declaration of Dividend for the Financial Year ended on 31-03-2016.
- Appointment of a Director in place of Shri Pradip M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- To ratify appointment of M/s. Thacker Butala Desai, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Audit Committee/Board of Directors to fix their remuneration.
- Appointment of M/s. B S R & Co. LLP, Chartered Accountants, as Joint Statutory Auditors of the Company and to authorise the Audit Committee/Board of Directors to fix their remuneration.
- To adopt new set of Articles of Association of the Company as per the Companies Act, 2013.
- To ratify remuneration to M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for F.Y. 2016-17.

Signed this _____ day of _____ 2016

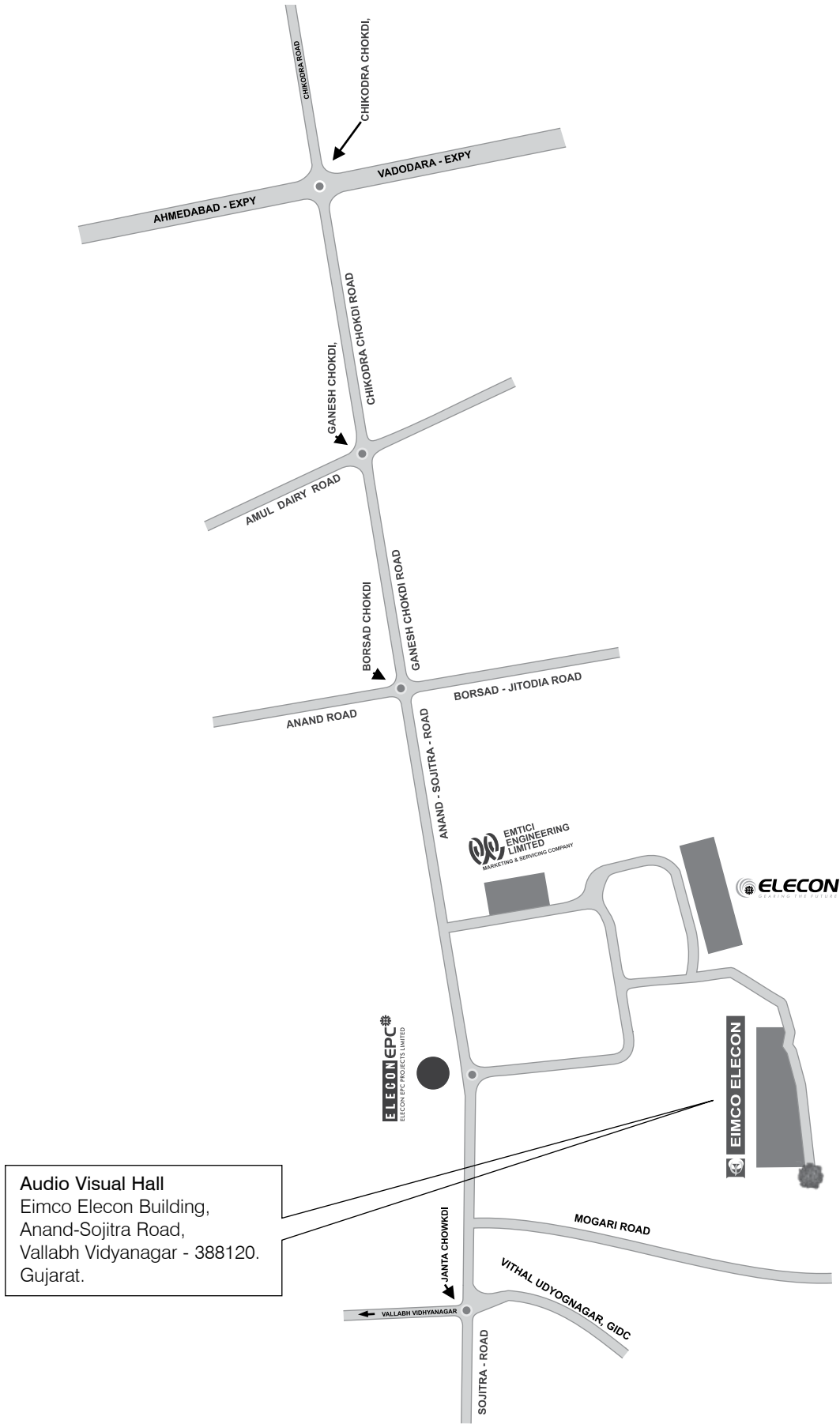
Signature of shareholder(s) : _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp

- Notes :**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 56th Annual General Meeting.

Route map to the venue of the AGM





ELECON ENGINEERING COMPANY LIMITED

CIN : L29259GJ1960PLC001082

Anand-Sojitra Road, Vallabh Vidyanagar – 388 120 Tal. & Dist. Anand, Gujarat.
Tel No. (02692) 227109, 230166, Fax No. (02692) 227484, Website : www.elecon.com

Dear Shareholder,

Sub: Green Initiative

Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. MCA has issued circular nos. 17/2011 dt. 21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice / document by a Company to its shareholders can now be made through electronic mode. In view of the above, your Company proposes to henceforth send Annual Report (Audited Financial Statements, Directors' Report, Auditors' Report, etc.) and all communications/documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.

In order to join the initiative and to receive the documents in electronic form, kindly comply with the following:

For Shareholders holding shares in Demat Form

In case you desire to receive the aforesaid documents in electronic mode, kindly update your e-mail ID in the Demat account by contacting your Depository Participant. E-mail updated in the demat account would be used to send documents through electronic mode. If you have already registered you e-mail ID earlier, please ignore this request.

TO BE SENT DIRECTLY TO DEPOSITORY PARTICIPANT

(i.e. Address where you have opened your Demat Account)

DP ID / Client ID :

Name :

E-mail ID :

Signature : _____

PAN :

For Shareholders holding shares in Physical form

In case you desire to receive the aforesaid documents in electronic mode in lieu of Physical mode, kindly update your e-mail ID with our Registrar and Share Transfer Agent, Link Intime India Private Limited by mailing your E-mail ID with the following details to vadodara@linkintime.co.in

TO BE SENT TO US BY USING BUSINESS REPLY ENVELOPE AS PRINTED ON REVERSE

Folio No. :

Name :

E-mail ID :

Signature : _____

PAN :

For registering your e-mail address with us, you are requested to forward us this page duly filled up along with self attested copy of your PAN Card in attached pre-paid Business Reply Envelope. You are not required to affix/pay any postage expense for dispatch of the said envelope to us.

Members who have not yet dematerialized their shares are requested to get their shares dematerialized at the earliest.

You may also send your consent in writing to our Registrar and Share Transfer Agents to the following address:

Link Intime India Private Ltd.,

Unit: **Elecon Engineering Company Ltd.,**

B- 102 and 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara 390 020.

We at 'Elecon' appreciate the "Green Initiative" taken by MCA and trust you would help implementing the e-governance initiatives of the Government.

Thanking you,

Yours faithfully,

For Elecon Engineering Company Limited

Parthiv Parikh

Company Secretary



BUSINESS REPLY ENVELOPE

**POSTAGE
WILL BE
PAID BY
ADDRESSEE**

BR-PERMIT NO. L2/And./BRP-7
V.V.NAGAR. P.O.

No
Postage
necessary
if posted
in India

To,
Company Secretary
Elecon Engineering Company Ltd.
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

----- FOLD -----



ELECON ENGINEERING COMPANY LIMITED

Anand - Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, INDIA.

Tel: +91 2692 238 701/702/703/704, 236 469, Fax: +91 2692 227 484.

Website: www.elecon.com | CIN L29259GJ1960PLC001082