ELECON
GEARING THE FUTURE

TÜVRheinland® CERT ISO 9001

Date: 27th April, 2016

To,

The Manager (Listing), **The Bombay Stock Exchange Ltd.** **Mumbai**	The Manager (Listing), **National Stock Exchange of India Ltd.** **Mumbai**

SUB: SUBMISSION OF AUDITED FINANCIAL RESULTS ALONG WITH AUDITOR'S REPORT FOR YEAR ENDED ON 31ST MARCH, 2016

Dear Sir,

In compliance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclosed herewith Audited Financial Results (Standalone and Consolidated) along with Auditor's Report of the Company for the year ended 31st March, 2016 duly taken on record by the Board of Directors of the Company at its Meeting held on 27th April, 2016.

Please also find enclosed Press Note on the above said Financial Results of the Company and the Merger of M/s. Elecon EPC Projects Limited with the Company.

The Board of Directors has recommended a dividend of ₹ 1.10/- per equity share of ₹ 2/- each. (i.e. 55% Dividend)

The Board of Directors, 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 from the conclusion of ensuing Annual General Meeting of the Company for the financial year 2015-16.

Further we inform you that the Company will hold its "Investor and Analyst Meet" on 29th April, 2016.

ELECON ENGINEERING COMPANY LIMITED
VALLABH VIDYANAGAR

Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Post Box # 6, Vallabh Vidyanagar - 388 120, Gujarat, India. Tel.: +91 - 2692 - 236469, 236513. Fax: +91 - 2692 - 227484.
CIN L29259GJ1960PLC001082 | infogear@elecon.com | www.elecon.com

Members of the senior management will be present to address equity analysts and investors of the Company. The presentation of the session will also be uploaded on the Company's website post completion of the event.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For Elecon Engineering Company Limited

Parthiv Parikh
Company Secretary & Compliance Officer

ELECON ENGINEERING COMPANY LIMITED
VALLABH VIDYANAGAR

Encl: a/a.

ELECON
GEARING THE FUTURE

TÜVRheinland® CERT ISO 9001

ELECON ENGINEERING COMPANY LIMITED

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2016

Annexure - 1
(Rs. in Lacs)

Sl. No.	PARTICULARS	STANDALONE				
		Quarter Ended			Year Ended	
		31st Mar.,2016	31st Dec.,2015	31st Mar.,2015	31st Mar., 2016	31st Mar., 2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	(a) Net Sales/Income from operations (net of excise duty)	18,884.30	11,944.79	17,460.42	51,514.40	49,778.42
	(b) Other Operating Income	69.44	85.28	135.32	369.99	540.82
	Total Income from Operations (net)	18,953.74	12,030.07	17,595.74	51,884.39	50,319.24
2	Expenses					
	(a) Cost of materials consumed	8,397.74	8,367.60	8,878.41	29,529.95	26,404.89
	(b) Purchase of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,012.11	(1,918.09)	709.95	(2,094.95)	1,288.57
	(d) Employee benefits expense	1,277.68	1,203.24	817.30	4,849.55	3,691.71
	(e) Depreciation and amortisation expense	1,188.09	1,185.38	1,491.94	4,710.19	5,158.37
	(f) Other expenses	2,726.19	2,514.92	2,988.29	9,132.42	8,283.72
	Total Expenses	16,601.81	11,353.05	14,885.89	46,127.16	44,827.26
3	Profit / (Loss) from Operations before other income, finance costs & Exceptional Items (1-2)	2,351.93	677.02	2,709.85	5,757.23	5,491.98
4	Other Income	781.85	2,562.73	1,312.07	3,903.05	2,267.74
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3±4)	3,133.78	3,239.75	4,021.92	9,660.28	7,759.72
6	Finance costs	917.79	919.69	784.75	3,537.73	2,995.03
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5±6)	2,215.99	2,320.06	3,237.17	6,122.55	4,764.69
8	Exceptional items	-	-	-	-	-
9	Profit / Loss from ordinary activities before Tax (7+8)	2,215.99	2,320.06	3,237.17	6,122.55	4,764.69
10	Tax expenses	662.20	606.47	958.38	1,807.35	1,446.11
11	Net Profit / Loss from ordinary activities after Tax (9±10)	1,553.79	1,713.59	2,278.79	4,315.20	3,318.58
12	Extraordinary Item (Net of Tax Expense Rs. Nil)	-	-	-	-	-
13	Net Profit / Loss for the Period (11±12)	1,553.79	1,713.59	2,278.79	4,315.20	3,318.58
14	Share of Profit / (loss) of associates	-	-	-	-	-
15	Minority interest	-	-	-	-	-
16	Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13±14±15)	1,553.79	1,713.59	2,278.79	4,315.20	3,318.58
17	Paid-up equity share capital (Face Value of the share Rs. 2/-)	2,178.72	2,178.72	2,178.72	2,178.72	2,178.72
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	51,733.22	-	48,860.25	51,733.22	48,860.25
19.i	Earnings per share (before extraordinary items) (of Rs. 2/- each) (not annualised):					
	(a) Basic	1.43	1.57	2.09	3.96	3.05
	(b) Diluted	1.43	1.57	2.09	3.96	3.05
19.ii	Earnings per share (after extraordinary items) (of Rs. 2/- each) (not annualised):					
	(a) Basic	1.43	1.57	2.09	3.96	3.05
	(b) Diluted	1.43	1.57	2.09	3.96	3.05

For and on behalf of Board of Directors

ELECON ENGINEERING COMPANY LIMITED VALLABH VIDYANAGAR

Place : Vallabh Vidyanagar
Date : April 27, 2016

Prayasvin B. Patel
Chairman & Managing Director
DIN : 00037394

Cranes | Rubber Industry | Marine Industry | Plastic Industry | Power Industry | Steel Industry | Sugar Industry | Mining | Cement Industry

Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Post Box # 6, Vallabh Vidyanagar - 388 120, Gujarat, India. **Tel.:** +91 - 2692 - 236469, 236513. **Fax:** +91 - 2692 - 227484.
CIN L29259GJ1960PLC001082 | infogear@elecon.com | www.elecon.com

ELECON
GEARING THE FUTURE

TÜVRheinland® CERT ISO 9001

ELECON ENGINEERING COMPANY LIMITED

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2016

Annexure - 1
(Rs. in Lacs)

Sl. No.	PARTICULARS	CONSOLIDATED				
		Quarter Ended			Year ended	
		31st Mar.,2016	31st Dec.,2015	31st Mar.,2015	31st Mar., 2016	31st Mar., 2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	(a) Net Sales/Income from operations (net of excise duty)	41,195.07	32,831.74	45,811.34	127,491.01	131,177.36
	(b) Other Operating Income	274.41	204.47	591.56	1,043.55	1,711.69
	Total Income from Operations (net)	41,469.48	33,036.21	46,402.90	128,534.56	132,889.05
2	Expenses					
	(a) Cost of materials consumed	20,485.64	31,291.67	26,680.59	83,022.49	78,735.57
	(b) Purchase of stock-in-trade	172.61	86.22	848.48	438.68	654.03
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,468.90	(8,578.76)	1,120.53	(3,282.38)	2,977.14
	(d) Employee benefits expense	3,782.91	3,816.46	3,232.98	14,957.99	14,325.83
	(e) Depreciation and amortisation expense	1,656.06	1,668.06	2,018.56	6,614.42	7,157.87
	(f) Other expenses	5,108.95	5,481.01	6,101.50	18,396.87	19,220.43
	Total Expenses	35,675.07	33,764.66	40,002.64	120,148.07	123,070.87
3	Profit / (Loss) from Operations before other income, finance costs & Exceptional Items (1-2)	5,794.41	(728.45)	6,400.26	8,386.49	9,818.18
4	Other Income	233.54	3,045.83	1,113.60	3,615.36	1,661.74
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3±4)	6,027.95	2,317.38	7,513.86	12,001.85	11,479.92
6	Finance costs	2,087.45	2,043.67	2,468.62	7,472.85	8,087.00
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5±6)	3,940.50	273.71	5,045.24	4,529.00	3,392.92
8	Exceptional items	-	-		-	-
9	Profit / Loss from ordinary activities before Tax (7+8)	3,940.50	273.71	5,045.24	4,529.00	3,392.92
10	Tax expenses	77.04	622.36	1,090.67	1,294.96	1,678.68
11	Net Profit / Loss from ordinary activities after Tax (9±10)	3,863.46	(348.65)	3,954.57	3,234.04	1,714.24
12	Extraordinary Item (Net of Tax Expense Rs. Nil)	-	-		-	-
13	Net Profit / Loss for the Period (11±12)	3,863.46	(348.65)	3,954.57	3,234.04	1,714.24
14	Share of Profit / (loss) of associates	(18.72)	7.47	5.10	-	20.39
15	Minority interest	(1,006.56)	771.44	(790.25)	587.63	(100.19)
16	Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13±14±15)	2,838.18	430.26	3,169.42	3,821.67	1,634.44
17	Paid-up equity share capital (Face Value of the share Rs. 2/-)	2,178.72	2,178.72	2,178.72	2,178.72	2,178.72
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	54,012.14	-	51,378.09	54,012.14	51,378.09
19.i	Earnings per share (before extraordinary items) (of Rs. 2/- each) (not annualised):					
	(a) Basic	2.61	0.39	2.91	3.51	1.50
	(b) Diluted	2.61	0.39	2.91	3.51	1.50
19.ii	Earnings per share (after extraordinary items) (of Rs. 2/- each) (not annualised):					
	(a) Basic	2.61	0.39	2.91	3.51	1.50
	(b) Diluted	2.61	0.39	2.91	3.51	1.50

ELECON ENGINEERING COMPANY LIMITED
VALLABH VIDYANAGAR

Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Post Box # 6, Vallabh Vidyanagar - 388 120, Gujarat, India. Tel.: +91 - 2692 - 236469, 236513. Fax: +91 - 2692 - 227484.
CIN L29259GJ1960PLC001082 | infogear@elecon.com | www.elecon.com

1 The aforesaid financial results were reviewed by the Audit Committee at its meeting held on April 27, 2016 and taken on record and approved by the Board of Directors at its meeting held on the same date.

2 The Tax expense is not comparable with the profit before tax, since it is consolidated on a line-by-line additional of each subsidary & no tax effect is recorded in respect of consolidation adjustments. This accounting treatment is as per accounting standard (AS)-21

3 The stand-alone financial results and consolidated financial results have been audited by statutory auditors.

4 The consolidated financial results have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements", Accounting Standard - 23 on "Accounting for Investments in Associates" and Accounting Standard - 27 on "Financial Reporting of Interests in Joint ventures".

5 The Board of Directors has recommanded a dividend at the rate of Rs 1.10 per share of face value of Rs 2 Each aggregating Rs . 1442.23 Lakhs (including corporate dividend tax of Rs 243.94 Lakhs) for the year ended 31st March 2016.

6 The figures for the corresponding previous period have been restated / regrouped wherever necessary.

7 The Board of Directors at its meeting held on 27th April, 2016 approved the scheme of amalgamation of M/s. Elecon EPC Projects Limited with M/s. Elecon Engineering Company Limited subject to necessary approvals. The appointed date of the said scheme is 30th March, 2015."

For and on behalf of Board of Directors

ELECON ENGINEERING COMPANY LIMITED
VALLABH VIDYANAGAR

Place : Vallabh Vidyanagar
Date : April 27, 2016

Prayasvin B. Patel
Chairman & Managing Director
DIN: 00037394

ELECON
GEARING THE FUTURE

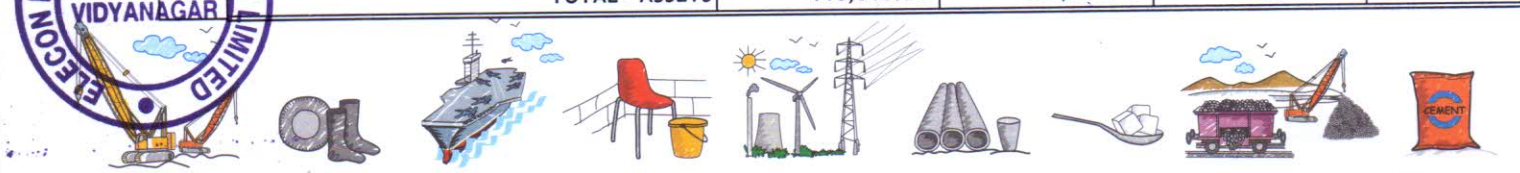
TÜVRheinland® CERT ISO 9001

Statement of Assets and Liabilities

(Rs. in Lacs)

	PARTICULARS	STANDALONE		CONSOLIDATED	
		As on		Year ended	
		31st Mar., 2016	31st Mar.,2015	31st Mar., 2016	31st Mar., 2015
		(Audited)	(Audited)	(Audited)	(Audited)
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	2,178.72	2,178.72	2,178.72	2,178.72
	(b) Reserves & Surplus	51,733.22	48,860.25	54,012.14	51,378.09
	(c) Money received against share warrants	-	-	-	-
	Sub-Total - Shareholders' Funds	**53,911.94**	**51,038.97**	**56,190.86**	**53,556.81**
2	**Share Application Money Pending Allotment**	-	-	-	-
3	**Minority Interest**	-	-	3,014.59	3,603.53
4	**Non-Current Liabilities**				
	(a) Long-term borrowings	13,092.92	8,926.15	18,142.05	16,316.58
	(b) Deferred tax liabilities (net)	2,854.65	3,280.32	2,400.13	3,614.21
	(c) Other long-term liabilities	62.38	106.83	11,962.82	11,305.06
	(d) Long-term provisions	194.23	243.16	349.81	317.47
	Sub-Total - Non-Current Liabilities	**16,204.18**	**12,556.46**	**32,854.81**	**31,553.32**
5	**Current Liabilities**				
	(a) Short-term borrowings	16,103.16	13,844.41	38,581.62	33,964.00
	(b) Trade payables	22,964.86	20,870.44	53,620.27	51,527.13
	(c) Other current liabilities	5,862.41	5,625.09	16,353.91	20,429.86
	(d) Short-term provisions	1,569.50	1,625.12	2,057.68	2,125.62
	Sub-Total - Current Liabilities	**46,499.93**	**41,965.06**	**110,613.48**	**108,046.61**
	TOTAL - EQUITY & LIABILITIES	**116,616.04**	**105,560.49**	**202,673.74**	**196,760.27**
B	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed assets	31,248.03	33,562.07	43,161.17	47,427.45
	(b) Goodwill on consolidation *	-	-	5,261.77	5,261.77
	(c) Non-current investments	23,421.72	19,924.15	372.30	607.59
	(d) Deferred tax assets (net)	-	-	291.90	339.71
	(e) Long-term loans and advances	1,281.81	1,540.28	2,481.31	1,709.91
	(f) Other non-current assets	79.31	79.31	6,513.11	5,374.97
	Sub-Total - Non-Current Assets	**56,030.87**	**55,105.81**	**58,081.56**	**60,721.40**
2	**Current Assets**				
	(a) Current investments	-	-	1,575.61	927.15
	(b) Inventories	13,897.96	13,022.26	36,563.82	34,629.26
	(c) Trade receivables	28,030.78	22,675.62	89,838.66	85,822.66
	(d) Cash & cash equivalents	1,056.36	305.68	3,561.56	3,150.52
	(e) Short-term loans & advances	4,989.93	1,691.99	12,060.38	10,880.14
	(e) Other Current assets	12,610.14	12,759.13	992.15	629.14
	Sub-Total - Current Assets	**60,585.17**	**50,454.68**	**144,592.18**	**136,038.87**
	TOTAL - ASSETS	**116,616.04**	**105,560.49**	**202,673.74**	**196,760.27**

ELECON ENGINEERING COMPANY LIMITED VALLABH VIDYANAGAR



Cranes | Rubber Industry | Marine Industry | Plastic Industry | Power Industry | Steel Industry | Sugar Industry | Mining | Cement Industry

Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Post Box # 6, Vallabh Vidyanagar - 388 120, Gujarat, India. **Tel.:** +91 - 2692 - 236469, 236513. **Fax:** +91 - 2692 - 227484.
CIN L29259GJ1960PLC001082 | infogear@elecon.com | www.elecon.com

Phone : (O) 257207,
(R): 258616
Fax : O. (02637) 242802
Ref. No. NVS/
Date :

Thacker Butala Desai
CHARTERED ACCOUNTANTS
G-21/22, Tanariri Apartment, Ashabaug Society, Navsari - 396 445

Auditor's Report On Quarterly Financial Results and Year to Date Results of Elecon Engineering Company Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
Elecon Engineering Company Limited

We have audited the quarterly financial results of **Elecon Engineering Company Limited** for the quarter ended **March 31, 2016** and the year to date results for the period **April 1, 2015 to March 31, 2016,** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the net **Profit** and other financial information for the quarter **ended March 31, 2016** as well as the year to date results for the period from **April 1, 2015 to March 31, 2016.**

The Statement includes the results for the Quarter ended **31st March, 2016** being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

THACKER BUTALA DESAI CHARTERED ACCOUNTANTS 27 APR 2016 NAVSARI

M.T.DESAI
Partner
M.No.030911

Place: Vallabh Vidyanagar
Date:

Mumbai Office : 418 Dalamal Towers, Nariman Point, MUMBAI - 400 001.
Phone : 22042086, 22049473, 2204148, Fax : 2204148

Phone : (O) 257207,
(R): 258616
Fax : O. (02637) 242802
Ref. No. NVS/
Date :

Thacker Butala Desai
CHARTERED ACCOUNTANTS

G-21/22, Tanariri Apartment, Ashabaug Society, Navsari - 396 445

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
Elecon Engineering Company Limited

1. We have audited the accompanying Statement of Consolidated Financial Results of **Elecon Engineering Company Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity for the year ended **31st March, 2016** ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which are in accordance with the Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting amounts disclosed in the statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We did not audit the financial statements of subsidiaries and its jointly controlled entity included in the consolidated financial results, whose financial statements reflect total assets of **Rs. 35,193.71 Lacs** as at **31st March, 2016**, total revenues of **Rs. 35,631.69 Lacs** for the year ended **31st March, 2016**, and total profit after tax of **Rs. 608.20 Lacs** for the year ended **31st March, 2016,** as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its jointly controlled entity, is based solely on the reports of the other auditors.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph above, the Statement:

   a. includes the results of the following entities:

   List of Subsidiaries:

   - Elecon EPC Projects Ltd.
   - Elecon Transmission International Limited
   - Elecon Singapore Pte. Limited
   - Elecon Middle east FZCO

THACKER BUTALA DESAI CHARTERED ACCOUNTANTS 27 APR 2016 NAVSARI

Mumbai Office : 418 Dalamal Towers, Nariman Point, MUMBAI - 400 001.
Phone : 22042086, 22049473, 2204148, Fax : 2204148

Phone : (O) 257207,
(R): 258616
Fax : O. (02637) 242802
Ref. No. NVS/
Date :

Thacker Butala Desai
CHARTERED ACCOUNTANTS
G-21/22, Tanariri Apartment, Ashabaug Society, Navsari - 396 445

List of Jointly controlled entity:

- Eimco Elecon (India) Limited

b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the year ended **31st March, 2016.**

5. The Statement includes the results for the Quarter ended **31st March, 2016** being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

M T Desai

M.T.DESAI
Partner
M.No.030911

Place: Vallabh Vidyanagar
Date:

THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
27 APR 2016
NAVSARI

Mumbai Office : 418 Dalamal Towers, Nariman Point, MUMBAI - 400 001.
Phone : 22042086, 22049473, 2204148, Fax : 2204148

Elecon Engineering Company Limited
Anand Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, India

Elecon's consolidated FY16 Net Revenue at Rs. 1,285.3 crores Announces Merger of Elecon Engineering Company Limited and Elecon EPC Projects Limited

Vallabh Vidyanagar, India, April 27th, 2016: Elecon Engineering Company Limited ("Elecon"), one of the largest manufacturers. of gears. in Asia today announced its financial results for the fourth quarter and full year ended 31st March, 2016. Elecon and Elecon EPC Projects Limited ("Elecon EPC"), also announced a merger of Elecon EPC with Elecon.

Financial Performance

Consolidated FY16 review

- Total Operating revenue was Rs. 1,285.3 crores as compared to Rs. 1,328.9 crores during the corresponding period of previous year.
- EBITDA stood at Rs. 150.0 crores as compared to Rs. 169.8 crores during the corresponding period of previous year, a decline of 12%.
- EBITDA Margin at 11.7% for FY16 as against 12.8% in FY 15
- Net profit stood after taxes, minority interest and share of profit/loss of associates stood at Rs. 38.2 crores for FY16 as compared to Rs. 16.3 crores in the corresponding period of the previous year, an increase of 134%.
- Basic EPS stood at Rs. 3.51 as against Rs. 1.50 in FY 15, an increase of 134%

Standalone FY16 review

- Total Operating income was Rs. 518.8 crores for FY16 as compared to Rs. 503.2 crores in the previous financial year, an increase of 3%
- EBITDA stood at Rs. 104.7 crores as compared to Rs. 106.5 crores during previous financial year, a decline of 2%
- EBITDA Margin at 20.2% for FY16 as against 21.2 % in FY15
- Net profit stood at Rs. 43.2 crores for FY16 as compared to Rs. 33.2 crores in the previous financial year, an increase of 30%
- Basic EPS stood at Rs. 3.96 as against Rs. 3.05, an increase of 30% over previous financial year.

Consolidated Q4FY16 review

- Total Operating income was Rs. 414.7 crores for Q4FY16 as compared to Rs. 464.0 crores in the corresponding period of the previous year.
- EBITDA stood at Rs. 74.5 crores as compared to Rs. 84.2 crores during the corresponding period of previous year
- EBITDA Margin remained similar at 18.0% for Q4FY16
- Net profit stood at Rs. 28.4 crores for Q4FY16 as compared to Rs. 31.7 crores in the corresponding period of the previous year
- Basic EPS stood at Rs. 2.61 as against Rs. 2.91 in the corresponding quarter of last fiscal

Standalone Q4FY16 review

- Total Operating income was Rs. 189.5 crores for Q4FY16 as compared to Rs. 176.0 crores in the corresponding period of the previous year reflecting an increase of 8%
- EBITDA stood at Rs. 35.4 crores as compared to Rs. 42.0 crores during the corresponding period of previous year, a decline of 16%.
- EBITDA Margin at 18.7 % for Q4FY16 as against 23.9% in Q4FY15
- Net profit stood at Rs. 15.5 crores for Q4FY16 as compared to Rs. 22.8 crores in the corresponding period of the previous year

- Basic EPS stood at Rs. 1.43 as against Rs.2.09 in the corresponding quarter of last fiscal

Commenting on the Company's performance for FY2016, ***Mr. Prayasvin Patel, CMD said*** *"We had a sequential improvement in the margins of gear business as a result of a better product mix and efficiencies in manufacturing. The quarter was very eventful for the company as we booked two large scale orders in the naval defence space. Despite the headwinds in the economy, these orders will add momentum to our business as we enter the new fiscal. In the material handling business, while we grapple with macro-economic challenges, we have been able to improve consolidated financial position on a quarter on quarter basis. 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."*

Corporate Action

Dividend

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

Merger of Elecon and Elecon EPC

Key Highlights

- Shareholders of Elecon EPC will receive for every 2 (Two) Equity shares held, 37 (Thirty Seven) Equity shares in Elecon.
- Strategy remains unchanged, with continued focus on delivering attractive growth, sustainable development and long term value for shareholders.
- Completion expected in last quarter of FY 2017 subject to all regulatory and shareholder approvals.

Mr. Prayasvin Patel, Chairman and Managing Director of Elecon, said "*The merger of Elecon EPC into Elecon was necessitated as some of the advantages that we envisaged in the earlier demerger did not percolate down to both the divisions. While we did see some momentum in the Transmission business, the material handling business was bogged down by tough industry and macroeconomic conditions. We believe the merger of the EPC business back into the parent would deliver economies of scale and financial benefits that would benefit both the Company and the shareholders."*

He also added*, "The independent Directors unanimously recommend the proposed combination and we as a Company are committed to our objective of maximizing shareholder returns over a long term period."*

Mr. Pradip Patel, Director of Elecon EPC, said *"The merger with Elecon will enable smooth functioning of business verticals currently housed within Elecon EPC and would improve operational efficiencies within the said verticals. India's EPC Industry is facing a slow down due to various reasons including delay in governmental clearances, environmental approvals and land acquisitions etc. The Company's strategy on moving away from EPC projects and focusing solely on the equipment's business would further cement the consolidation with Elecon which is being envisaged."*

Strategic Rationale:

- The Scheme envisages amalgamation of Elecon EPC into Elecon, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies.
- The proposed amalgamation of Elecon EPC into Elecon is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value.
- The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually.

- Elecon EPC and Elecon believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of Elecon EPC and Elecon pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth.
- Enable Elecon to use the resources of Elecon EPC and vis-a-versa and generate synergy in operations.
- The consolidated 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.
- Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

Benefits for Shareholders of Elecon:

- It is projected that businesses of Elecon and Elecon EPC consolidated and housed under one entity would result in significant improvement in profitability and operational efficiency as well as enable focused growth of both the business verticals. This would result in significant improvement in returns to shareholders of Elecon.

Proposed Transaction

- Merger of Elecon EPC with Elecon through court approved Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 or corresponding applicable provisions of Companies Act, 2013.
- On completion of merger, shareholders of Elecon EPC (except Elecon) will receive for every 2 Equity Shares held:
    - 37 equity shares in Elecon of face value Rs. 2 per share
- No shares will be issued by Elecon towards shares held by it in Elecon EPC and all those shares would be cancelled as part of the Scheme.
- Following completion of amalgamation of Elecon EPC with Elecon:
    - Promoter's shareholding in Elecon will increase from 57.34% to 58.58%
    - Public shareholding in Elecon will decrease from 42.66% to 41.42%
- The Transaction is subject to approval from public shareholders of Elecon, shareholders of Elecon EPC, Stock Exchanges where equity shares of Elecon are listed, Securities and Exchange Board of India, Gujarat High Court and other regulatory authorities as applicable.
- The Transaction will be tax neutral for Elecon, Elecon EPC and their shareholders under Indian Laws.
- All the existing equity shares of Elecon will continue to be listed on BSE Limited and National Stock Exchange of India Limited coupled with fresh shares being issued by Elecon to the shareholders of Elecon EPC.
- Accounting for the Transaction would be done as per Purchase Method as prescribed by Accounting Standard 14 issued by Institute of Chartered Accountants of India. Under this method, all the assets and liabilities of Elecon EPC would be recorded in the books of Elecon at their fair market value. Difference between net assets recorded in the books of Elecon and consideration issued in the form of equity shares of Elecon would be either be recorded as goodwill or capital reserve, as the case may be.
- The Transaction is subject to compliance with all the applicable laws and rules and regulations the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited where shares of Elecon are listed.
- The Transaction is expected to close in the last quarter of FY 2017.

Recommendations, Financial Advisers and Fairness Opinion

- The Board of Directors of Elecon has unanimously approved the merger as being in the best interests of their respective shareholders.
- Two Independent Chartered Accountants have provided their joint recommendation on the exchange ratio for consideration by the Boards of Elecon EPC and Elecon.
- The Board of Directors of Elecon has received a fairness opinion from SEBI approved Merchant Banker with regard to the fairness of the exchange ratio.
- Transaction governance is in line with Indian regulations and best practices.

Key Transaction Approvals

- Shareholder approvals:
  - Majority of public shareholders of Elecon would be required to approve the scheme through postal ballot and e-voting
  - Meeting directed to be convened by the Gujarat High Court in respect of Elecon and Elecon EPC, if any:
    - Majority in number of shareholders voting at the shareholders meeting are required to vote in favor of the Transaction; and
    - 75% in value of shareholders present and voting at the shareholder meeting are required to vote in favor of the Transaction.
- Approval of the Gujarat High Court would be required since registered offices of Elecon and Elecon EPC are situated in the State of Gujarat, India
- Since the shares of the Elecon are listed on stock exchanges, the Securities and Exchange Board of India as well as the stock exchanges where shares of Elecon are listed i.e. BSE and NSE would be required to provide their 'no objection' to the scheme
- Regulatory and other approvals as may be required

Analyst Day/Meeting

The Company is hosting an analyst day for investors on 29th April, 2016. Details of the same will be available on the Company's website.

Standalone Financial Statement

Particulars (Rs. Cr.)	Q4FY16	Q3FY16	Q/Q%	Q4FY15	Y/Y%	FY16	FY15	Y/Y%
Income from Operations								
Net Sales/ Income from Operations	188.8	119.4		174.6		515.1	497.8	
Other Operating Income	0.7	0.9		1.4		3.7	5.4	
Total Income from Operations (Net)	**189.5**	**120.3**	**58%**	**176.0**	**8%**	**518.8**	**503.2**	**3%**
Expenses								
(a) Cost of Material Consumed	84.0	83.7		88.8		295.3	264.0	
(b) Purchase of stock in trade								
(c) Changes in inventories/WIP	30.1	(19.2)		7.1		(20.9)	12.9	
(d) Employee Benefit Expense	12.8	12.0		8.2		48.5	36.9	
(e) Depreciation & Amortization	11.9	11.9		14.9		47.1	51.6	
(f) Other Expenditure	27.3	25.1		29.9		91.3	82.8	
Total Expenses	**166.0**	**113.5**		**148.9**		**461.3**	**448.3**	

EBIT Before Other Income / Exceptional Items	**23.5**	**6.8**	**247%**	**27.1**	**-13%**	**57.6**	**54.9**	**5%**
Other Income	7.8	25.6		13.1		39.0	22.7	
EBIT Before Exceptional Items	**31.3**	**32.4**	**-3%**	**40.2**	**-22%**	**96.6**	**77.6**	**24%**
Finance Costs	9.2	9.2		7.8		35.4	30.0	
PBT Before Exceptional Items	**22.2**	**23.2**	**-4%**	**32.4**	**-32%**	**61.2**	**47.6**	**28%**
Exceptional Item								
PBT	**22.2**	**23.2**	**-4%**	**32.4**	**-32%**	**61.2**	**47.6**	**28%**
Tax Expense	6.6	6.1		9.6		18.1	14.5	
PAT	**15.5**	**17.1**	**-9%**	**22.8**	**-32%**	**43.2**	**33.2**	**30%**
Paid-up Equity Share Capital (FV of Rs.2/-)	**21.8**	**21.8**		**21.8**		**21.8**	**21.8**	
Earnings Per Share								
Basic EPS (Not annualized)	1.43	1.57	**-9%**	2.09	**-32%**	3.96	3.05	**30%**
Diluted EPS (Not annualized)	1.43	1.57	**-9%**	2.09	**-32%**	3.96	3.05	**30%**

Consolidated Financial Statement

Particulars (Rs. Cr.)	Q4FY16	Q3FY16	Q/Q%	Q4FY15	Y/Y%	FY16	FY15	Y/Y%
Income from Operations								
Net Sales/ Income from Operations	412.0	328.3		458.1		1,274.9	1,311.8	
Other Operating Income	2.7	2.0		5.9		10.4	17.1	
Total Income from Operations (Net)	**414.7**	**330.4**	**26%**	**464.0**	**-11%**	**1,285.3**	**1,328.9**	**-3%**
Expenses								
(a) Cost of Material Consumed	204.9	312.9		266.8		830.2	787.4	
(b) Purchase of stock in trade	1.7	0.9		8.5		4.4	6.5	
(c) Changes in inventories/WIP	44.7	(85.8)		11.2		(32.8)	29.8	
(d) Employee Benefit Expense	37.8	38.2		32.3		149.6	143.3	
(e) Depreciation & Amortization	16.6	16.7		20.2		66.1	71.6	
(f) Other Expenditure	51.1	54.8		61.0		184.0	192.2	
Total Expenses	**356.8**	**337.6**		**400.0**		**1,201.5**	**1,230.7**	
EBIT Before Other Income / Exceptional Items	**57.9**	**(7.3)**	**-895%**	**64.0**	**-9%**	**83.9**	**98.2**	**-15%**
Other Income	2.3	30.5		11.1		36.2	16.6	
EBIT Before Exceptional Items	**60.3**	**23.2**	**160%**	**75.1**	**-20%**	**120.0**	**114.8**	**5%**
Finance Costs	20.9	20.4		24.7		74.7	80.9	
PBT Before Exceptional Items	**39.4**	**2.7**	**1340%**	**50.5**	**-22%**	**45.3**	**33.9**	**33%**
Exceptional Item	-	-		-			-	
PBT	**39.4**	**2.7**	**1340%**	**50.5**	**-22%**	**45.3**	**33.9**	**33%**
Tax Expense	0.8	6.2		10.9		12.9	16.8	
PAT	**38.6**	**(3.5)**		**39.5**		**32.3**	**17.1**	**89%**
Share of Profit / (loss) of associates	(0.2)	0.1		0.1			0.2	
Minority interest	(10.1)	7.7		(7.9)		5.9	(1.0)	
Consolidated PAT	**28.4**	**4.3**	**560%**	**31.7**	**-10%**	**38.2**	**16.3**	**134%**

Paid-up Equity Share Capital (FV of Rs.2/-)	**21.8**	**21.8**		**21.8**		**21.8**	**21.8**	
Earnings Per Share								
Basic EPS (Not annualized)	2.61	0.39	**569%**	2.91	**-10%**	3.51	1.50	**134%**
Diluted EPS (Not annualized)	2.61	0.39	**569%**	2.91	**-10%**	3.51	1.50	**134%**

Standalone and Consolidated Balance Sheet

Particulars (Rs. Cr.)	FY16	FY15	FY16	FY15
Equity and Liability	Standalone		Consolidated	
(1) Shareholders Funds				
(a) Share Capital	21.8	21.8	21.8	21.8
(b) Reserves and Surplus	517.3	488.6	540.1	513.8
	539.1	**510.4**	**561.9**	**535.6**
(2) Minority Interest	-		30.1	36.0
(3) Non - Current Liabilities	-		-	
(a) Long-term borrowings	130.9	89.3	181.4	163.2
(b) Deferred Tax Liabilities	28.5	32.8	24.0	36.1
(c) Other Long term liabilities	0.6	1.1	119.6	113.1
(d) Long-term provisions	1.9	1.7	3.5	3.2
	162.0	**124.9**	**328.5**	**315.5**
(4) Current liabilities	-		-	
(a) Short-term borrowings	161.0	138.4	385.8	339.6
(b) Trade payables	229.6	208.7	536.2	515.3
(c) Other current liabilities	58.6	56.3	163.5	204.3
(d) Short-term provisions	15.7	16.2	20.6	21.3
	465.0	**419.6**	**1,106.1**	**1,080.5**
TOTAL	**1,166.2**	**1,054.9**	**2,026.7**	**1,967.6**
Assets	-		-	-
(1) Goodwill on Consolidation	-		52.6	52.6
(2) Non-current assets	-		-	-
(a) Fixed assets	312.5	335.6	431.6	474.3
(b) Non-current investments	234.2	199.2	3.7	6.1
(c) Net Deferred Tax Assets	-		2.9	3.4
(d) Long-term loans and advances	12.8	14.7	24.8	17.1
(e) Other non-current assets	0.8	0.8	65.1	53.7
	560.3	**550.3**	**528.2**	**607.2**
(3) Current assets	-		-	
(a) Current investments	-		15.8	9.3
(b) Inventories	139.0	130.2	365.6	346.3
(c) Trade receivables	280.3	226.8	898.4	858.2
(d) Cash and Bank Balances	10.6	3.1	35.6	31.5
(e) Short-term loans and advances	49.9	16.9	120.6	108.8
(f) Other current assets	126.1	127.6	9.9	6.3
	605.9	**504.5**	**1,445.9**	**1,360.4**
Total	**1,166.2**	**1,054.9**	**2,026.7**	**1,967.6**

About Elecon Engineering Company Ltd.

Elecon Engineering Company Ltd (BSE code: 505700, NSE code: ELECON) is one of Asia's largest gear manufacturing Company with vast experience of about five decades and significant business presence in India and abroad. The Company designs and manufactures 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.

The Company through its subsidiary Elecon EPC also manufactures material handling equipment, mining equipment, casting processes amongst others. The company was incorporated in 1960 by Shri Ishwarbhai B Patel and has its headquarters in Vallabh Vidyanagar, Gujarat. For more info visit: www.elecon.com

If you have any questions or require further information, please feel free to contact

Rajat Jain
Elecon Engineering Company Limited
Tel :+ 91-2692-238701/02/03/04
Email:
rajatjain@elecon.com

Diwakar Pingle
Christensen Investor Relations
Tel : +91 22 4215 0210
Email :
dpingle@christensenir.com

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors. that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Elecon Engineering Company Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.