

ECE INDUSTRIES LTD.

Regd. Office : ECE House, 28A, K.G. Marg, New Delhi-110001

CIN: L31500DL1945PLC008279

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON 31.03.2016

S.NO.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2016 (Audited)	31.12.2015 (Unaudited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
	PART-I					
1	Income from Operations					
	(a) Sales/Income from Operations (Net of excise duty)	4970.63	3598.40	3993.14	15444.58	17711.38
	(b) Other Operating Income	20.01	9.53	29.65	85.11	171.81
	Total Income from operations (net)	4990.64	3607.93	4022.78	15529.69	17883.19
2	Expenses					
	(a) Cost of materials consumed	3592.34	3130.42	2550.99	12239.49	13505.25
	(b) Purchases of stock-in-trade	10.75	24.09	18.69	80.69	69.95
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	119.17	(386.28)	7.59	(737.10)	413.41
	(d) Employee benefits expense	472.02	586.32	513.23	2074.01	1744.01
	(e) Depreciation and amortisation expense	47.70	55.23	58.04	215.62	264.49
	(f) Other expenses	987.62	565.74	1154.57	3695.95	3106.35
	Total Expenses	5229.60	3975.52	4303.11	17568.66	19103.46
3	Profit/ (Loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	(238.96)	(367.59)	(280.33)	(2,038.97)	(1,220.27)
4	Add : Other Income	403.37	272.74	341.81	1,373.28	1032.37
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	164.41	(94.85)	61.48	(665.69)	(187.90)
6	Less : Finance costs	49.37	55.23	85.19	197.21	215.86
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	115.04	(150.08)	(23.71)	(862.90)	(403.76)
8	Exceptional Items [Income/(Expense)]					
	1) Net Profit/(Loss) on Sale of Non Current Investments	(8.90)	-	17.42	41.82	510.67
	2) Net Profit/(Loss) on sale of Immovable Property	47.95	63.92	34.83	1,085.60	34.83
	3) Write down of inventories to Net Realisable Value	(53.97)	-	-	(324.33)	-
	4) Retrenchment Compensation & Legal Settlement	-	-	-	-	(94.00)
9	Profit/ (Loss) from Ordinary Activities Before Tax (7+8)	100.12	(86.16)	28.54	(59.81)	47.74
10	Tax Expense including Deferred Tax Liabilities/ (Assets) [Net]	50.04	-	(64.13)	50.04	(51.13)
11	Net Profit / (Loss) from Ordinary Activities After Tax (9-10)	50.08	(86.16)	92.67	(109.85)	98.87
12	Extraordinary Items (Net of Tax Expenses)	-	-	-	-	-
13	Net Profit / (Loss) for the Period (11+12)	50.08	(86.16)	92.67	(109.85)	98.87
14	Paid-up Equity Share Capital (Face value Rs 10/- per share)	772.76	772.76	772.76	772.76	772.76
15	Reserves excluding Revaluation Reserves as per balance sheet.	-	-	-	13,288.55	13,398.40
16	Earnings Per Share (EPS)					
	(a) Basic and Diluted EPS before Extra-ordinary item (in Rs.)	0.65	(1.12)	1.20	(1.42)	1.28
	(b) Basic and Diluted EPS after Extra-ordinary item (in Rs.)	0.65	(1.12)	1.20	(1.42)	1.28



Aravind

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER / YEAR ENDED ON 31.03.2016

(Rs. In lacs)

SEGMENTWISE PERFORMANCE	Quarter Ended			Year Ended	
	31.03.2016 (Audited)	31.12.2015 (Unaudited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
1 Segment Revenue [Net]					
Equipment for Power transmission and distribution	3598.37	2592.89	2761.34	11381.77	13977.66
Elevator	1392.27	1015.04	1242.34	4147.92	3886.43
Others	-	-	19.10	-	19.10
Total Income from Operations (Net)	4990.64	3607.93	4022.78	15529.69	17883.19
2 Segment Results [Profit / (Loss)]					
Equipment for Power transmission and distribution	(155.19)	(118.16)	(3.27)	(692.88)	(285.28)
Elevator	(10.51)	(148.12)	45.48	(601.08)	(136.53)
Others	-	-	20.08	-	12.99
Profit / (Loss) before Finance Cost & Tax	(165.70)	(266.28)	62.29	(1,293.96)	(408.82)
Less: Finance Cost	49.37	55.23	85.19	197.21	215.86
Add : Exceptional Items Income/(Expenses)	(14.92)	63.92	52.25	803.09	451.49
Add: Un- allocable Income/(Expense)(Net)	330.11	171.43	(0.80)	628.27	220.93
Profit / (Loss) before Tax	100.12	(86.16)	28.54	(59.81)	47.74
3 Capital Employed					
Equipment for Power transmission and distribution	2450.83	2592.05	3103.41	2450.83	3103.41
Elevator	1043.69	1069.59	1443.23	1043.69	1443.23
Others	-	10349.59	(63.39)	-	(63.39)
Total	3494.52	14011.23	4483.25	3494.52	4483.25

STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2016

(Rs. In Lacs)

PARTICULARS	As at 31.03.2016	As at 31.03.2015	PARTICULARS	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			ASSETS		
Shareholders' funds			Non-current assets		
(a) Share capital	772.76	772.76	(a) Fixed assets	1922.93	2184.56
(b) Reserves and surplus	13288.55	13398.40	(b) Non-current investments	10042.94	9056.56
Sub-total - Shareholder's funds	14061.31	14171.16	(c) Deferred Tax Assets (Net)	-	10.00
Non-current liabilities			(d) Long-term loans and advances	184.62	637.47
(a) Long-term borrowings	9.12	4.34	(e) Other Non-current assets	-	-
(b) Deferred tax liabilities (net)	40.04	-	Sub-total - Non-current assets	12150.49	11888.59
(c) Other long-term liabilities	43.97	54.47	Current Assets		
(d) Long Term provisions	236.81	292.20	(a) Current Investments	3928.74	2913.52
Sub-total - Non Current liabilities	329.94	351.01	(b) Inventories	5943.00	5303.57
Current liabilities			(c) Trade Receivables	734.78	693.86
(a) Short-term borrowings	-	9.51	(d) Cash and Bank Balances	1648.25	1296.08
(b) Trade payables	6433.12	4805.81	(e) Short-term Loans and Advances	78.18	167.71
(c) Other current liabilities	3298.54	2521.40	(f) Other Current Assets	-	-
(d) Short-term provisions	360.53	404.44	Sub-total - Current assets	12332.95	10374.74
Sub-total - Current liabilities	10092.19	7741.16			
TOTAL - EQUITY AND LIABILITIES	24483.44	22263.33	TOTAL - ASSETS	24483.44	22263.33

NOTES

- The above audited results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 12.05.2016.
- The company is continuously incurring operational losses from its manufacturing activities of Transformer and Elevator business. No dividend has been recommended for the Financial Year 2015-16 by the board of Directors.
- Figures of the corresponding previous period/ year have been regrouped/ rearranged wherever necessary, to make them comparable. The figures of the quarter ended March 31 are the balancing figures between audited figures in respect of the full financial year and the reviewed published year to date figures upto December 31, being the date of the end of the 3rd quarter of the financial year.

For ECE Industries Limited

(Vikram Prakash)
Director
DIN : 00027732



Place : New Delhi
Date : 12.05.2016

DD-34, Basement, Kalkaji, New Delhi-110 019 • Phone : 91-11-41329602-03-04-05,40550699
Email : admin@vsda.in • Website : www.vsda.in

INDEPENDENT AUDITORS' REPORT

To
The Members
ECE Industries Limited

Report on Financial Statements

We have audited the accompanying financial statements of **ECE Industries Limited**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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



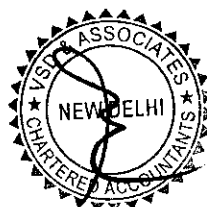
Opinion

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operation effectiveness of such controls, refer to our separate report in "**Annexure- B**".
 - (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 statements. – Refer Note 10.1.2 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 VSD & Associates
Chartered Accountants
F.R.No.008726N



Vinod Sahni

(Vinod Sahni)
Partner
M.No.086666

Place : New Delhi
Dated : 12/05/2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the financial statements for the year ended 31 March, 2016, we report that:

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) The company has planned program to physically verify assets in alternative years, which in our opinion is reasonable having regards to the size of the company and the nature of the assets. In accordance with the said program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) As per the explanations given to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on such verification.
- iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from public.
- vi) According to the information and explanations given to us, the company is maintaining its cost records as per the form prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for the activities of the company. We have broadly reviewed the cost records made and maintained by the company and are of the opinion that prima facie the prescribed records have been made and maintained. We however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii)
 - a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except as given below:

S.No.	Name of the Statute	Nature of Due	Period to which it Relates	Amount (Rs. In lacs)	Date of Payment
1.	Jharkhand Value Added Tax Act, 2005	VAT Liability	2013-14 & 2014-15	3.57	Not Paid

- b) According to the records of the company, there are no dues outstanding of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, VAT and Cess on account of any dispute other than the following :-



Name of The Statute	Nature of Dues	Year	Amount (Rs. In Lacs)*	Forum where dispute is Pending
Orissa sales Tax Act, 1947	Demand Towards Work Contract Tax	2001-02	26.24	Sales Tax Appellate Tribunal, Cuttack
Bihar Sales Tax Act, 1983	Demand Towards Work Contract Tax	1993-97 & 2000-01	21.96	Jharkhand High Court
West Bengal Sales Tax Act, 1994 (Local) & Central	Demand towards Local Sales Tax & Central Sales Tax	1994-95 & 2002-03	15.26	Sales Tax Revision Bench, West Bengal
Delhi Works Contract Act, 1999	Demand Towards Work Contract Tax	2002-03	12.00	Deputy Commissioner (Appeals), Delhi
Delhi Sales Tax Act, 1975 (Central)	Demand towards non submission of forms/ Concessional forms, and demand towards interest	1980-81, 1983-84, 1989-90, 1995-96 and 1981-82	13.95	Additional Commissioner Sales Tax, Delhi
Delhi Sales Tax Act, 1975 (Local)	Demand towards rejection of Stock transfer and non-submission of forms	1980-81 & 1987-88	3.55	Deputy Commissioner Sales Tax, Delhi
Andhra Pradesh General Sales Tax Act, 1957 (Central)	Demand towards Works Contract Tax	2001-02, 2003-04	10.94	Commercial Tax Officer, Andhra Pradesh
Gujarat State Sales Tax Act, 1969	Demand towards work contract tax	1993-94	2.78	Deputy Commissioner (Appeals), Gujarat
Central Excise Act, 1944	Demand towards Excise Duty	1998-99	5.82	Andhra Pradesh High Court
U P Municipal Laws (Cess Act)	Demand towards Water Cess	1992-93	0.60	Tehsildar, Ghaziabad (U.P.)
Central Excise Act, 1944	Demand towards Excise Duty	2007-08	1.17	Additional Commissioner (Excise), Rohtak
Finance Act, 1994	Interest and Penalty	2010-11	1.18	Commissioner (Appeals), Ghaziabad

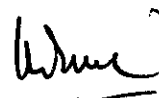
*Net of payments



- viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. According to the information and explanations given to us, there are no dues outstanding in respect of any debenture during the current financial year or any previous year.
- ix) During the year the Company has not raised any funds through Initial/Further Public offer (including debt instruments) and the term loans were applied for the purpose for which they were obtained.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or 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) The Company is not a Nidhi Company.
- 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 section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for VSD & Associates
Chartered Accountants
F.R.No.008726N




(Vinod Sahni)
Partner
M.No.086666

Place : New Delhi
Dated : 12/05/2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ECE INDUSTRIES LIMITED

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 **ECE Industries Limited** as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of internal financial Controls Over financial Reporting issued by the institute of Chartered Accountants of India. These responsibilities include the design, Implementation and maintenance of adequate internal financial control that were operation 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 operation 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 evaluation 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 risk 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

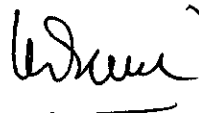
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

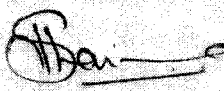
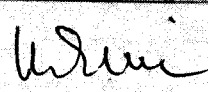
for VSD & Associates
Chartered Accountants
F.R.No.008726N




(Vinod Sahni)
Partner
M.No.086666

Place : New Delhi
Dated : 12/05/2016

FORM A

1	Name of the Company	ECE Industries Limited
2	Annual Financial Statements for the year ended	31st March, 2016
3	Type of Audit observation	Unmodified
4	Frequency of observation	Not Applicable
5	To be signed by -	
	a) Mr. Prakash Kumar Mohta Chairman & Managing Director	
	b) Mr. Rajat Sharma Chief Financial Officer	
	c) Mr. Vinod Sahni VSD & Associates Firm Reg. No. 008726N Partner Membership No. 086666	
	d) Mr. Vikram Prakash Chairman of Audit Committee	