



**ECE INDUSTRIES LIMITED**



### DIRECTORS

Shri Prakash Kumar Mohta - CMD  
Shri Vikram Prakash  
Shri Sakate Khaitan

Shri Om Prakash Khaitan  
Shri Mahendra Kumar Jajoo

### EXECUTIVES

Shri R. Prasad

President – Corporate Affairs, Finance & Legal

Shri A.V. Ramachandran

President – (Transformer Division)

Shri Rajat Sharma

Vice President – Corporate Finance & Taxation

Shri P.C. Agarwal

Vice President – Commercial & Admn. (Elevator Division)

Shri Deepak Kaul

Vice President – Marketing (Elevator Division)

Shri H.M. Mot

General Manager – Commercial (Transformer-Hyderabad)

Shri Piyush Agarwal

Company Secretary

### REGISTERED OFFICE

“ECE HOUSE”  
28-A, Kasturba Gandhi Marg  
New Delhi - 110001

### REGISTRAR

MAS Services Limited.  
T-34, II Floor, Okhla Industrial Area  
Phase-II, New Delhi - 110020

### BANKERS

Bank of Baroda  
State Bank of India  
Canara Bank  
Central Bank of India

### AUDITORS

Singhi & Co.  
Chartered Accountants  
401-408, Pragati House  
47-48, Nehru Place  
New Delhi - 110019

### PLANTS & PRODUCTS

SONEPAT  
GHAZIABAD  
HYDERABAD

Transformers  
Elevators & Other Components  
Transformers

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## NOTICE

### TO THE SHAREHOLDERS

Notice is hereby given that the Sixty Seventh Annual General Meeting of the members of ECE Industries Limited will be held at The Executive Club, 439, Sahoorpur, Fatehpur Beri, New Delhi-110074 on Wednesday, the 18th day of September, 2013 at 4.00 P.M. to transact the following businesses:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss of the Company for the year ended 31st March, 2013 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint Directors in place of Sh. Vikram Prakash and Sh. Sakate Khaitan who retires by rotation and being eligible offers themselves for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

By Order of the Board

Sd./-

(Piyush Agarwal)

Company Secretary

Place : New Delhi  
Dated : 28th May, 2013

### NOTES FOR MEMBERS' ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 14.09.2013 to 18.09.2013 (both days inclusive) for the purpose of payment of dividend.
3. The Dividend, as recommended by the Board, if sanctioned at the meeting will be paid to those members or their mandates whose names stand registered on the company's register of members :-
  - (a) as beneficial owners as on 13.09.2013 as per the list to be furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form, and
  - (b) as members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company or the Share Transfer Agents up to 13.09.2013.
4. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the Bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for Electronic Clearing Service (ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
5. (a) Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend for the year 2004-2005 has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their un-encashed Dividend Warrant with regard to the said dividend.
  - (b) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2006 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:-

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2006	27.07.2006	26.07.2013	24.08.2013
31.03.2007	28.05.2007	27.05.2014	25.06.2014
31.03.2008	27.08.2008	26.08.2015	24.09.2015
31.03.2009	09.09.2009	08.09.2016	07.10.2016
31.03.2010	30.09.2010	29.09.2017	28.10.2017
31.03.2011	22.09.2011	21.09.2018	20.10.2018
31.03.2012	25.09.2012	24.09.2019	23.10.2019

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company at its Registered Office. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

6. Members or every person purchasing the shares of the Company in Physical form are requested to furnish immediately a copy of Permanent Account Number (PAN) in compliance of SEBI Circular no MRD/DoP/Cir-05/2009 dated 20th May 2009 and all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc.
  - (a) to their Depository Participant (DP) in respect of equity shares held in electronic form (Demat Account), and
  - (b) to the RTA/ Company at its registered office, in respect of equity shares held in physical form.
7. Besides above, the Securities and Exchange Board of India (SEBI) has vide its Circular Ref. No. MRD/DoP/SE/RTA/Cir 03/2010 dated January 07, 2010 clarified that it shall be mandatory to furnish a copy of PAN in the following cases:-
  - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
8. Members are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the meeting.
9. Members who hold shares in dematerialised form are requested to bring their Depository Participant Account Number (Client ID No.) for easier identification at the Annual General Meeting.
10. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Director(s) recommended for re-appointment at the Annual General Meeting is given here-in-below:
  - (a) Name of Director : Sh. Vikram Prakash
  - Date of Birth : 01.04.1928
  - Date of appointment : 06.09.1989
  - Qualification/ Profession : Mechanical Engineer
  - List of Public Limited Companies (in India) in which outside Directorship held :
    1. Noida Medicare Centre Limited
    2. Pushpsons Industries Limited
    3. Indian Toners & Developers Limited
    4. The Naihati Jute Mills Limited
    5. Deepak Spinners Limited

Chairman / Member of the Committee of the Board of Directors of the Company.	:	<ol style="list-style-type: none"> <li>1. Chairman – Audit Committee</li> <li>2. Member – Remuneration Committee</li> <li>3. Chairman - Shareholder Grievances Committee.</li> </ol>
Chairman / Member of the Committee of the Board of Directors of other Public Limited Companies	:	<ol style="list-style-type: none"> <li>1. Indian Toners &amp; Developers Limited Member – Audit Committee</li> <li>2. Pushpsons Industries Limited Member – Audit Committee</li> <li>3. Noida Medicare Centre Limited Chairman - Audit Committee</li> <li>4. Deepak Spinners Limited Chairman - Audit Committee</li> </ol>
(b) Name of Director	:	Sh. Sakate Khaitan
Date of Birth	:	16.02.1972
Date of Appointment	:	27.05.2008
Qualification/Profession	:	Bachelor of Law Member - Bar Council of India and Incorporated Law Society of India
List of Public Limited Companies (in India) in which outside Directorship held	:	Nil
Chairman/Member of the Committee of the Board of Directors of the Company.	:	Nil
Chairman/Member of the Committee of the Board of Directors of other Public Limited Companies	:	Nil

By Order of the Board  
Sd./-  
(Piyush Agarwal)  
Company Secretary

Place : New Delhi  
Dated : 28th May, 2013

**IMPORTANT COMMUNICATION**  
**'Green Initiative'**

The Ministry of Corporate Affairs, Government of India has taken a 'Green Initiative in Corporate Governance' by allowing paperless Compliances through Electronic mode. In accordance with the Circulars bearing no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their shareholders through Electronic mode, to the registered e-mail addresses of the shareholders.

We therefore, request you to inform your e-mail address to your Depository Participant or register your e-mail ID with our Registrar and Share Transfer Agents viz. "M/s Mas Services Limited" at their website [www.massserv.com](http://www.massserv.com). You are not required to re-register unless there is change in your e-mail address. In case you have a Demat account then you are requested to intimate to the Depository Participant (DP) any changes in your registered addresses, e-mail ID and / or changes in your bank account details / MICR code.

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the Sixty Seventh Annual Report with Audited Accounts of the Company for the year ended 31st March, 2013.

### FINANCIAL RESULTS

Particulars	31.03.2013 (Rs. In Lacs)	31.03.2012 (Rs. In Lacs)
Turnover	14,832.06	20,816.57
including other operating income		
Profit / (Loss) before Depreciation, Exceptional Items & Tax	884.54	852.59
Gain / (Loss) from Exceptional items	(437.51)	(267.42)
	447.03	585.17
Less : Depreciation	222.73	207.36
Profit before Tax	224.30	377.81
Provision for :		
(i) Current Income Tax	95.18	90.00
(ii) Deferred Tax Charge / (Credit)	35.07	7.48
Profit after Tax	94.05	280.33
Add : Balance Brought Forward	4,366.51	4,156.95
Profit available for Appropriation	4,460.56	4,437.28
Appropriations as under :		
1. Proposed Dividend	19.31	39.38
2. Provision for Dividend Tax	3.28	6.39
3. Shortfall for Dividend of the year 2011-12	(0.04)	-
4. Transfer to General Reserve	10.00	25.00
5. Balance in Statement of Profit & Loss carried forward	4,428.01	4,366.51
	4,460.56	4,437.28

### REVIEW OF PERFORMANCE

The sales turnover for the current year is Rs. 148.32 Crores against Rs. 208.17 Crores in the previous year. The total gross profit for the year ended 31st March, 2013 comes to Rs. 447.03 lacs (Previous Year Rs. 585.17 lacs). After providing Rs. 222.73 lacs (Previous year Rs. 207.36 lacs) for depreciation and Rs. 130.25 lacs as provision for taxation (Previous Year Rs. 97.48 lacs), there remains a surplus of Rs. 94.05 lacs (Previous year Rs. 280.33 lacs).

During the year, the operations at Company's transformer business was adversely affected due to adverse market conditions, sluggish demand, lower realization and liquidity crunch with the Electricity Boards who are main buyers of the product of the company. To cut losses, the company reduced its work force sizably at its Sonapat unit.

### DIVIDEND

We recommend payment of Dividend for the year 2012-2013 @ Rs. 0.25 per share (2.5%) for the year, which will be paid after obtaining your approval in the Annual General Meeting.

### BUY-BACK

During the financial year 2012-13, the buy-back offer of the Company for purchasing the maximum of 6,90,000 equity shares from open market through stock exchange mechanism which was opened on 18th April, 2012 had been duly closed on 27th March, 2013 and the Company purchased 1,75,385 equity shares upto the date of closure of such offer.

## AUDITOR'S REPORT

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

## AUDITORS

M/s. Singhi and Co., Chartered Accountants, retire as Statutory Auditors of the Company at the conclusion of the Sixty Seventh Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends the appointment of M/s Singhi & Co., Chartered Accountants as the Statutory Auditors for the financial year 2013-14.

## COST AUDITORS AND COST AUDIT REPORT

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audits relating to Products manufactured by the Company.

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreements with Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report are annexed and form part of the Directors Report.

## LISTING AGREEMENTS

The Company's equity shares continue to be listed on the Bombay Stock Exchange and National Stock Exchange. The Annual Listing fees for the year 2012-2013 have been paid in full to Bombay Stock Exchange as well as to National Stock Exchange.

## DIRECTORS

Shri Vikram Prakash & Shri Sakate Khaitan, Directors of the Company are retiring by rotation and being eligible offer themselves for re-appointment.

## TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A and 205C of the Companies Act, 1956, during the Financial Year 2012-2013 the Company had deposited Rs. 98,327/- (Rupees Ninety eight thousand three hundred twenty seven only) in the "Investor Education & Protection Fund" established by the Central Government towards unclaimed/unpaid dividend for the financial year 2004-2005.

## FIXED DEPOSITS

Your Company has not accepted fixed deposits from public and/or employees and, as such, no amount of Principal or interest was outstanding as on the balance sheet date.

## PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA), the Board of Directors of your company state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;
- iii) that 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 ;
- iv) that the directors have prepared the annual accounts on a going concern basis.



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Additional information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, required under Section 217 (1)(e) of the Companies Act, 1956 forms part of this report and same is enclosed as Annexure 'A'.

**ACKNOWLEDGEMENTS**

Your Directors place on record their thanks for the dedicated services rendered by all the employees of the company in its factories and offices and also acknowledge the co-operation, assistance and support extended by the Company's bankers and stakeholders.

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place : New Delhi

(P.K. Mohta)

(Vikram Prakash)

Dated : 28th May, 2013

Chairman & Managing Director

Director

**Annexure 'A' to the Directors' Report**

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2013.

**A. Conservation of Energy**

The Company is continuously engaged in the process of energy conservation through improved operational and manufacturing practices.

During the Financial Year 2012-13, we have introduced efficient & energy conserving automatic door system in Elevator Manufacturing which are much lighter in weight & consume low power.

**B. Technology Absorption**

Efforts made in technology absorption as per Form-B are furnished below.

(Form for disclosure of particulars with respect of Technology Absorption)

**1. Research and Development (R&D)**

Introduction of imported advanced low energy infra-red screen for elevator doors for safety & protection of passengers moving in & out of the elevator.

Development of in-built Automatic Rescue Device with advanced electronics for lower consumption of energy for charging the batteries.

**2. Technology Absorption, Adapatation & Renovation**

Introduction of inbuilt automatic rescue devices for evacuation of passengers trapped in the elevator cabin. Previously a separate subsystem was being used to rescue the trapped passengers.

Introduction of Vacuum Fluorescent Display (VFD). Unlike LCD's, a VFD emits a very bright light with high contrast. It can display multi-segment alpha-numeric characters as well as symbols.

Design of new elevator cabins to enhance the aesthetics.

**C. Foreign Exchange Earnings & Outgo**

The information on Foreign Exchange earnings & outgo contained in Note No. 26.10(b) of 'Other Notes on Accounts'.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Main segments of company's activities relate to manufacture and sale of Equipments for Power & Distribution Transformers and Elevators.

### OPPORTUNITIES & THREATS

The transformer industry continues passing through a difficult period due to increasing costs and cut-throat competition resulting in lower realization.

### SEGMENTWISE PERFORMANCE

The key business segment of the company "Equipments for Power Transmission and Distribution" accounted for 71.08% of the gross turnover in 2012-2013. The other segments accounted for 28.92% of gross turnover.

#### A. Business Segment – Equipment for Power Transmission and Distribution (Rs. In lacs)

Particulars	2012-13	2011-12	% Change Positive/(Negative)
Gross Turnover	10,543.33	16,533.96	(36.23)
Operating Profit/(Loss) (after depreciation and before interest)	(74.68)	55.59	(234.32)

#### B. Business Segment – Elevators (Rs. In lacs)

Particulars	2012-13	2011-12	% Change Positive/(Negative)
Gross Turnover	4,288.72	4,282.61	0.14
Operating Profit/(Loss) (after depreciation and before interest)	497.63	430.47	15.60

### OUTLOOK

Due to sluggish demand, lower realizations and severe liquidity crunch continuing with the Electricity Boards, the Transformer business will continue to work in very challenging condition and the business is not expected to show any improvement in near future. The management is considering different options for plugging losses.

A drop in infrastructural growth and economic uncertainties in realty sector may also hit Company's growth in Elevator business segment. The company is taking steps for upgrading the technology and widening the range to have better share in the market.

### RISKS AND CONCERNS

1. Fixed Assets of the Company i.e. Buildings, Plant and Machinery, Office equipments, Furniture & Fixtures and Vehicles are insured with a view to minimize the risk in case of fire and loss of profit.
2. Current Assets of the company i.e. Raw Materials, Work-in-Progress, Stores & Spares and Finished Goods are insured to minimize the risk.
3. The Company has taken cash/ cash in transit insurance cover to safeguard itself from any theft/ burglary.
4. The Company has also kept its activities reasonably diversified in terms of products and locations with a view to minimize the risk.
5. The Company is having in-house Research & Development abilities to cater the needs of technological changes in the market and to upgrade its products.
6. To plug the operational hazards, the Company has vast base of suppliers to procure continuous supplies of raw material from its local and foreign suppliers.

7. The Company wherever feel necessary, hedges its risk of fluctuation in foreign currency while taking loan from banks.
8. Keeping in view the size and infrastructure of the company, it is felt that the existing arrangement of Risk Management is reasonably sufficient.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

ECE has an internal control system that is geared towards achieving efficiency in operations, optimum utilization of resources, effecting monitoring and compliance with all applicable laws and regulations. A programme of internal audit by an Independent firm of Chartered Accountants is reviewed by Management and documented policies, guidelines and procedures, supplements the internal control systems that are designed to ensure reliability of financial and all other records to prepare financial statements and other data and to maintain accountability of assets.

#### FINANCIAL REVIEW AND ANALYSIS

(Rs. in Lacs)

Highlights	2012-13	2011-12
Turnover (Net of Excise Duty) including other operating income	13,590.31	19,050.63
Profit / (Loss) before Depreciation, Exceptional Items and Tax	884.54	852.59
Gain / (Loss) from Exceptional Items	(437.51)	(267.42)
Depreciation	222.73	207.36
Profit before Tax	224.30	377.81
Income Tax	130.25	97.48
Net Profit	94.05	280.33
Proposed Dividend (incl. Dividend tax)	22.59	45.77

#### OTHER INCOME

Other Income mainly consists of Interest, Dividend, Royalty, Rent & Licence fee and Liabilities / Provisions written back etc.

#### HUMAN RESOURCES DEVELOPMENT

ECE recognizes the need of training & development on regular basis. Continuous learning by individuals is necessary for the organization. It provides opportunity, appropriate working environment and scope to develop the younger talent.

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place : New Delhi

(P.K. Mohta)

(Vikram Prakash)

Dated : 28th May, 2013

Chairman & Managing Director

Director

## CORPORATE GOVERNANCE REPORT

### I COMPLIANCE OF MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At ECE Industries Limited, Corporate Governance is the integral part of Company's Values, Ethics, Business practices and Norms. Towards this, the Company constantly evaluates and defines its Management practices aimed at enhancing its commitments and delivery of the basic tenets of the Corporate Governance.

#### 2. BOARD OF DIRECTORS

Composition:

The Board of Directors consists of five members, out of which four are Non-Executive Directors.

Attendance record of Directors:

During the year 2012-2013, Five Board Meetings were held on 08.06.2012, 17.07.2012, 09.08.2012, 10.11.2012 and 04.02.2013 :

Directors	Category	No. of Board meetings attended	Attendance at the last AGM	No. of outside Directorships held	(Chairman)/ Member of Board Committee	Share Holding As on 31.03.13 (No. of shares)
Sh. P. K. Mohta	Chairman & Managing Director	3	No	3	(Nil) 1	592016
Sh. O.P. Khaitan	*Non Executive	5	No	7	(4) 10	100
Sh. Vikram Prakash	*Non Executive	4	Yes	5	(4) 2	200
Sh. Sakate Khaitan	Non Executive	3	No	Nil	Nil	200
Sh. M.K. Jajoo	*Non Executive	-	No	4	(Nil) 4	200

\*also Independent in terms of the provisions of Clause 49(1)(A)(iii).

#### 3. AUDIT COMMITTEE

Currently, the Audit Committee of the company consists three members, out of which two third are non-executive and independent directors.

Members of the Committee:

1. Shri Vikram Prakash – Chairman
2. Shri P.K. Mohta – Member
3. Shri O.P. Khaitan – Member

Meetings of the Audit Committee were held on 08.06.2012, 09.08.2012, 10.11.2012 and 04.02.2013. Shri Vikram Prakash, Chairman and Sh. O.P. Khaitan, member of the Committee attended four meetings. Sh. P.K. Mohta, member attended two meetings. Besides the Committee members, Sh. R. Prasad, President (Corporate Affairs, Finance & Legal), Sh. Rajat Sharma, Vice President (Corporate Finance & Taxation) and Sh. Piyush Agarwal, Company Secretary also attended the meetings from time to time.

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement with the Stock Exchanges beside other terms, as may be referred by the Board of Directors.

#### 4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee consists of the following members:

1. Shri Vikram Prakash, Director
2. Shri O.P. Khaitan, Director
3. Shri M.K. Jajoo, Director
4. Shri R. Prasad, President (Corporate Affairs, Finance & Legal)
5. Shri Rajat Sharma, Vice President (Corporate Finance & Taxation)

The committee looks into the redressal of shareholders and investor's complaints regarding:

- Transfer of Shares
- Non receipt of Balance Sheet
- Non receipt of declared dividend
- Any other matter concerning Investor/Shareholder grievances.

The Committee reviews the status of complaints received from shareholders/investors. A status report of shareholders complaints is prepared and placed before the Shareholders/Investors Grievance Committee.

There were no major issues/complaints from the shareholders and no complaint was pending at the end of the financial year. During the year, four meetings of the committee were held on 08.06.2012, 09.08.2012, 10.11.2012 and 04.02.2013 and the same were attended by Shri Vikram Prakash, Shri O.P. Khaitan, Shri R. Prasad and Shri Rajat Sharma.

#### 5. REMUNERATION OF DIRECTORS

Non-executive Directors do not draw any remuneration from the Company though Directors are entitled to receive Directors' Commission pursuant to Section 309 of the Companies Act, 1956 and Sitting Fees for attending the meetings of the Board, Audit Committee, Shareholders/Investor Grievances Committee and Remuneration Committee thereof.

Each Director was paid sitting fee for attending Board Meeting and Audit Committee Meeting @ Rs. 5,000/- per meeting. The Sitting fee to Director for attending the meeting of Shareholder's Grievance Committee and Remuneration Committee is Rs. 2,000/- per meeting. The details of Directors' Commission and sitting fee paid during the financial year 2012-2013 to the Directors of the Company are given below :-

S. No.	Name of Directors	Sitting Fee (in Rs.)				Director's Remuneration /Commission (in Rs.)	Total (in Rs.)
		Board Meeting	Audit Committee Meeting	Investor's Grievance Committee Meeting	Remuneration Committee Meeting		
1	Shri P.K. Mohta	-	-	-	-	1,22,59,000.00 *	1,22,59,000.00
2	Shri O.P. Khaitan	25,000	20,000	8,000	-	62,726.50	1,15,726.50
3	Shri Vikram Prakash	20,000	20,000	8,000	-	62,726.50	1,10,726.50
4	Shri Sakate Khaitan	15,000	-	-	-	62,726.50	77,726.50
5	Shri M.K. Jajoo	-	-	-	-	62,726.50	62,726.50

Besides dividend on Equity shares held by the Directors, a payment of Rs. 2,50,000/- (Rupees Two lacs fifty thousand only) was made to Shri O.P. Khaitan of M/s O.P. Khaitan & Co., Solicitors and Advocates towards Professional charges for advising and drafting on various legal matters of the Company.

\*The remuneration paid to Shri P.K. Mohta includes the payment of salary and other perquisites etc. in accordance with the resolution passed by the shareholders in the Annual General Meeting held on 22.09.2011 which was further approved by the Central Government vide letter dated 27.02.2012.

## 6. GENERAL BODY MEETINGS

The details of the General Meetings held in last 3 years are as under:

Year	AGM/ EOGM	Location	Date	Time
2012-13	AGM	ITG Auditorium, Copernicus Marg, Near Mandi House, New Delhi - 110001	25.09.2012	12.00 NOON
2011-12	AGM	Hindi Bhawan, 11, Vishnu Digamber Marg, New Delhi	22.09.2011	03.30 P.M.
2010-11	EOGM	Hindi Bhawan, 11, Vishnu Digamber Marg, New Delhi	28.03.2011	04.00 P.M.
2010-11	AGM	NCUI Convention Centre, 3, Khelgaon Marg New Delhi	30.09.2010	03.30 P.M.

During the year, one resolution was passed through postal ballot on 03.09.2012 as a special resolution for the purpose of according the approval of shareholders for altering the Object Clause (Clause 3) of the Memorandum of Association of the Company.

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

## 7. DISCLOSURES:

### i) Related Party transactions

Transactions with the related parties are disclosed in Note No. 26.7 of 'Other Notes on Accounts'. The transaction does not have any conflict with the interest of the company at large.

### ii) Compliance by the Company

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to capital markets during the last three years.

Further, as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the years ended 31st March, 2013.

## 8. MEANS OF COMMUNICATION

Apart from providing a detailed Annual Report on the working of the Company, consisting of Directors' Report, Management Discussion & Analysis Report and Annual Accounts, the Company regularly brings out its quarterly results for the information of its shareholders through publication thereof in Business Standard (English & Hindi) newspapers and also places on its website.

Company is having its website [www.eceindustriesltd.com](http://www.eceindustriesltd.com) which gets reviewed and upgraded from time to time.

## 9. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report forms part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and its management, internal control systems and adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said report.

## SHAREHOLDER'S INFORMATION

### 1. ANNUAL GENERAL MEETING

Date and time : 18th September, 2013, 04.00 P.M.  
Venue : The Executive Club, 439, Sahoopur  
Fatehpur Beri, New Delhi-110074

2. FINANCIAL CALENDAR  
 Financial Reporting  
 For the quarter ending June 30, 2013 : By 14th August, 2013  
 For the quarter ending Sept., 30, 2013 : By 14th November, 2013  
 For the quarter ending Dec. 31, 2013 : By 14th February, 2014  
 For the year ending March 31, 2014 : By 15th May, 2014  
 Annual General Meeting for the year ending 31st March, 2014 : By the end of September, 2014.
3. DATE OF BOOK CLOSURE : From 14th September, 2013  
 To 18th September, 2013
4. DIVIDEND PAYMENT DATE : 8th October, 2013
5. LISTING ON STOCK EXCHANGE : At present the Equity shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Annual Listing fee for the year 2012-13 have been paid to the both Stock Exchanges.

## ADDRESS OF STOCK EXCHANGES

1. Bombay Stock Exchange Limited  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai-400001.
2. National Stock Exchange of India Limited  
 Exchange Plaza,  
 Bandra Kurla Complex,  
 Bandra (East), Mumbai – 400051.

6. STOCK CODE  
 (a) Trading symbol at :  
 Bombay Stock Exchange, Mumbai : 532491  
 National Stock Exchange, Mumbai : ECEIND  
 (b) Demat ISIN Number in NSDL & CDSL : INE588B01014

7. STOCK MARKET DATA  
 The details of Monthly High/Low price and number of shares traded on Bombay Stock Exchange and National Stock Exchange, Mumbai are given below:

Month	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	Monthly High Price (Rs./Share)	Monthly Low Price (Rs./Share)	Average Volume (No. of Shares)	Monthly High Price (Rs./Share)	Monthly Low Price (Rs./Share)	Monthly Volume (No. of Shares)
April, 2012	138.15	105.05	23748	134.95	105.00	15176
May, 2012	136.00	105.00	15900	142.25	106.00	51822
June, 2012	128.70	115.00	6700	128.00	104.60	56256
July, 2012	124.90	108.80	6725	123.90	104.60	18249
August, 2012	123.85	102.00	7656	118.80	96.60	10508
September, 2012	120.90	101.60	20403	118.95	101.10	19711
October, 2012	121.95	100.00	9192	115.00	88.10	15540
November, 2012	135.00	96.50	26162	132.00	86.40	108887
December, 2012	133.75	109.05	55532	132.95	110.00	162415
January, 2013	130.00	115.00	74142	133.00	109.00	57827
February, 2013	138.70	110.10	67156	141.00	110.20	167741
March, 2013	134.55	120.00	14459	140.00	111.00	29409

#### 8. REGISTRAR & TRANSFER AGENTS

MAS Services Limited  
T-34, IInd Floor, Okhla Industrial Area, Phase-II,  
New Delhi – 110020  
Phone Nos : 011-26387281/ 26387282/ 26387283  
Fax No. : 011-26387384  
E-mail : mas\_serv@yahoo.com

#### 9. SHARE TRANSFER SYSTEM

Presently, the share transfers which are received in physical form are processed and returned within a period of 15 days from the date of receipt, subject to the documents being valid and clear in all respects.

A Share Transfer Committee has been constituted by the Board to approve Transfer / Transmission, Dematerialisation/Rematerialisation/Sub-division/Consolidation/Issue of duplicate share certificates etc. The Share Transfer Committee consists of Shri R. Prasad, Shri Rajat Sharma and Shri Piyush Agarwal, Officers of the Company and the committee attends the transfer and other formalities once in a fortnight or as required.

In compliance with the Listing Guidelines, on half yearly basis, a Practicing Company Secretary audits the system of transfer and a Certificate to that effect is issued. Also, in compliance with the SEBI guidelines, a quarterly Audit is also conducted by a Practicing Company Secretary and the Reconciliation of Share Capital Audit Report is issued by the Practicing Company Secretary and the same is submitted to both the Stock Exchanges.

#### 10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

No. of equity shares held	Number of shareholders	Number of shares held	Percentage of share holding
1 to 5000	4326	346446	4.48
5001 to 10000	226	161528	2.09
10001 to 50000	166	318166	4.12
50001 to 100000	12	87777	1.13
100001 & above	22	6813980	88.18
<b>TOTAL</b>	<b>4752</b>	<b>7727897</b>	<b>100.00</b>

#### 11. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2013.

Category	Number of shareholders	Number of shares held	Percentage of share holding
<b>A. Promoters</b>	<b>8</b>	<b>4110987</b>	<b>53.20</b>
<b>B. Non-Promoters</b>			
Financial Institutions & Banks	2	344717	4.46
Body Corporate	144	1660508	21.49
Individuals	4561	1329908	17.21
Non Resident Indians (NRIs)	36	70308	0.91
Foreign Institutional Investor (FIIs)	1	211469	2.73
<b>TOTAL</b>	<b>4752</b>	<b>7727897</b>	<b>100.00</b>



## 12. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2013, the 97.66% of the paid-up equity share capital of the Company has been held in dematerialized form. Trading in Equity shares of the Company through Bombay Stock Exchange and National Stock Exchange is permitted only in dematerialized form, as per notification issued by the Securities and Exchange Board of India.

Relevant data for the volume of shares traded during the year 2012-2013 is given above, under the heading "Stock Market Data".

## 13. LOCATION OF COMPANY'S UNITS: As given at the beginning of the Annual Report.

## 14. INVESTOR CORRESPONDENCE :

Communication regarding transfer/transmission of shares, Dematerialization/Rematerialisation, Dividends, change of address or any other queries relating to shares of the Company may be made at either of the following addresses:

- a) Registrar & Transfer Agents (Both Electronic & Physical Form)  
MAS Services Limited  
T-34, IInd floor, Okhla Industrial Area, Phase-II,  
New Delhi - 110020.  
Phone Nos : 011-26387281-83  
Fax No. : 011-26387384  
E-mail : mas\_serv@yahoo.com
- b) Registered Office (Physical Form)  
Share Department  
ECE Industries Ltd.  
28-A, Kasturba Gandhi Marg,  
New Delhi-110001  
Telephone Nos : 011-23314237-39  
Fax : 011-23310410  
E-mail : grievances@eceindustriesltd.com
- c) E-Mail address of the Company for the purpose of registering complaints by Investors:  
grievances@eceindustriesltd.com

## II COMPLIANCE OF NON-MANDATORY REQUIREMENTS

### 1 THE BOARD

The Corporate office of the Company bears the expenses of the office of the Chairman. Two Independent Directors have the tenure in aggregate on the Board of more than nine years.

### 2. REMUNERATION COMMITTEE

The Company has the Remuneration committee consisting of Shri O.P. Khaitan as Chairman, Shri Vikram Prakash and Shri M.K. Jajoo as members of the Committee. The Committee deals with the fixation of terms and remuneration of the appointee on the Board Level.

### 3. SHAREHOLDER RIGHTS

The Company does not send the half yearly financial performance including the significant events to the shareholders of the Company.

### 4. AUDIT QUALIFICATION

During the period under review, there is no Audit qualification pertaining to the financial statements. The Company continues to adopt best practices to ensure unqualified financial statements.

### 5. TRAINING OF BOARD MEMBERS

There was no Directors' Training programme held during the year ended on 31.03.2013.

### 6. MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

Non-Executive Directors are evaluated by their own peer in the Board meetings although there is no formal peer group review by the entire Board except the Directors concerned.

### 7. WHISTLE BLOWER POLICY

The Company does not have any formal Whistle Blower Policy.

For and on Behalf of the Board of Directors

Sd/-

Sd/-

(P.K. Mohta)

(Vikram Prakash)

Chairman & Managing Director

Director

Place : New Delhi

Dated : 28th May, 2013

**Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification**

- (a) “Certified that we have reviewed financial statements for the year ended on 31st March, 2013 and to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company’s code of conduct.
- (c) We accept the responsibility for establishing and maintaining the internal controls and have evaluated the effectiveness of the system of the company. Efficacies/ deficiencies in the design or operations of internal controls are disclosed / discussed with the auditors and the audit committee and necessary steps are taken accordingly.
- (d) We have indicated to the auditors and the Audit Committee;
- (i) there was no significant change in internal control system during the year.
  - (ii) there was no significant change in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there was no instance of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system.

Sd/-  
(P. K. Mohta)  
Chief Executive Officer

Sd/-  
(R. Prasad)  
Chief Financial Officer

Place : New Delhi  
Date : 28th May, 2013



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN No. : L31500DL1945PLC008279

Nominal Capital : Rs. 15,00,00,000/-

Paid Up Capital : Rs. 7,72,78,970/-

The Members,  
ECE Industries Limited  
ECE House  
28-A, K.G. Marg  
New Delhi

We have examined all relevant records of ECE Industries Limited having its registered office at ECE House, 28-A, K.G. Marg, New Delhi – 110001 for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the Listing Agreement with the Bombay Stock Exchange and The National Stock Exchange for the financial year ended 31st March, 2013. We have examined all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate 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.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said clause 49 of the Listing Agreement.

For PTM & Co.  
Company Secretaries

Sd/-  
[Tumul Maheshwari]

Place : New Delhi  
Dated : 28th May, 2013

## INDEPENDENT AUDITORS' REPORT

To the Members of ECE Industries Limited,  
Report on the Financial Statements

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

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies' Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on the other legal and regulatory requirements**

1. As required by the Companies ( Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. : 302049E

Place : New Delhi  
Dated: 28th May, 2013

B.K.Sipani  
Partner  
Membership No. 088926

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: ECE Industries Limited)

- (i)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Fixed Assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancy was noticed on physical verification carried out during the year.
  - c. There was no substantial disposal of fixed assets during the year.
- (ii)
  - a. As explained to us inventories (except stock - in-transit) were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are 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 explanation given to us, the Company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- (iii)
  - a. As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies' Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Order are not applicable.
  - b. As informed, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies' Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that needs to be entered into the Register maintained under Section 301 of the Companies' Act, 1956. Therefore, the provisions of clause 4 (v) of the Order, 2003 is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies' Act, 1956. Accordingly clause 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records for its products under section 209(1)(d) of the Companies' Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix)
  - a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Services tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

- b. According to the records of the company, there are no dues outstanding of Sales tax, Income tax, Service tax, Custom Duty, Wealth tax, Excise duty 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
Tamilnadu Commercial Tax Act	Commercial Tax	2000-01	71.62	Tamilnadu Sales Tax Appellate Tribunal Main Branch, Chennai
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, Gaziabad, (U.P.)

\* Net of payments

- (X) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, clause 4 (xiii) of the Order is not applicable.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments in shares, units of the mutual funds and debentures and these are held in the name of the company.
- (xv) According to the information and explanations given to us, the Company has not given any corporate guarantee in favour of any financial institution or bank for loans taken by others
- (xvi) Based on information and explanations given to us, no term loan was obtained during the year. Accordingly, clause 4 (xvi) of the Order is not applicable.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet and cash flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Order is not applicable.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, clause 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money through public issue. Accordingly, clause 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of the audit.

For SINGHI & CO.

Firm Registration No. : 302049E

B.K.Sipani  
Partner

Membership No. 088926

Place : New Delhi  
Dated: 28th May, 2013



## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As At 31.03.2013	(Rs. in Lacs) As At 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	772.96	790.30
(b) Reserves & Surplus	2	13,322.46	13,442.46
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	3	43.21	8.14
(b) Long Term Provisions	4	277.21	318.77
(3) Current Liabilities			
(a) Short-term Borrowings	5	2.87	704.84
(b) Trade Payables	6	3,509.18	4,536.80
(c) Other Current Liabilities	7	2,270.92	2,850.55
(d) Short-term Provisions	8	364.29	470.65
Total		<u>20,563.11</u>	<u>23,122.51</u>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	2,338.14	2,528.97
(ii) Intangible assets	9	199.61	251.63
(iii) Capital work-in-progress		18.99	-
(b) Non Current Investments	10	6,455.19	183.81
(c) Long term loans and advances	11	406.15	433.50
(2) Current assets			
(a) Inventories	12	2,811.43	3,722.36
(b) Trade Receivables	13	5,978.48	7,642.72
(c) Cash and Bank Balances	14	440.90	2,353.80
(d) Short-term Loans & Advances	15	1,791.00	5,961.67
(e) Other Current Assets	16	123.22	44.05
Total		<u>20,563.11</u>	<u>23,122.51</u>
Significant Accounting Policies	25		
Other Notes on Accounts	26		

The Notes referred to above form an integral part of Balance Sheet.

As per our Report of even date attached.

For Singhi & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg. No. : 302049E

Sd/-

(B.K. Sipani)

Partner

Membership No. 088926

Place : New Delhi

Dated: 28th May, 2013

Sd/-

(Piyush Agarwal)  
Company Secretary

Sd/-

(P.K. Mohta)  
Chairman & Managing Director

Sd/-

(Vikram Prakash)  
Director

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

(Rs. in Lacs)			
Particulars	Note No.	1st April, 2012 to 31st March, 2013	1st April, 2011 to 31st March, 2012
<b>I. REVENUE :</b>			
From operations (Gross)	17	14,832.06	20,816.57
Less : Excise Duty		<u>1,241.75</u>	<u>1,765.94</u>
Revenue from operations (Net)		13,590.31	19,050.63
<b>II. Other Income</b>	18	<u>1,218.40</u>	<u>1,118.86</u>
<b>III. Total Revenue (I+II)</b>		<u><u>14,808.71</u></u>	<u><u>20,169.49</u></u>
<b>EXPENSES :</b>			
Purchases of Traded Goods		127.93	99.64
Cost of materials consumed	19	9,072.61	14,268.52
Changes in Inventories of Finished Goods and Work-in-Progress	20	468.32	(579.63)
Employee Benefit Expense	21	1,390.37	1,237.75
Finance Costs	22	162.28	218.17
Depreciation and Amortization Expenses	9	222.73	207.36
Other Expenses	23	2,702.65	4,072.45
<b>IV. Total Expenses</b>		<u><u>14,146.90</u></u>	<u><u>19,524.26</u></u>
<b>V. Profit/(Loss) before exceptional items and tax</b>		661.81	645.23
<b>VI. (Less)/Add: Exceptional Items</b>	24	(437.51)	(267.42)
<b>VII. Profit before tax (V-VI)</b>		224.30	377.81
<b>VIII. Tax expense:</b>			
(1) Current tax		(95.18)	(90.00)
(2) Deferred tax (Charge)/Credit	3	(35.07)	(7.48)
<b>IX. Profit/(Loss) for the period (VII-VIII)</b>		<u><u>94.05</u></u>	<u><u>280.33</u></u>
<b>X. Earning per equity share:</b>			
Equity Shares of Rs. 10/- each			
Basic & Diluted	26.2	1.20	3.32
 Summary of Significant Accounting Policies	 25		
Other Notes on Accounts	26		

The Notes referred to above form an integral part of Statement of Profit & Loss.

As per our Report of even date attached.

For Singhi & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg. No. : 302049E

Sd/-

(B.K. Sipani)

Partner

Membership No. 088926

Place : New Delhi

Dated: 28th May, 2013

Sd/-  
(Piyush Agarwal)  
Company Secretary

Sd/-  
(P.K. Mohta)  
Chairman & Managing Director

Sd/-  
(Vikram Prakash)  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lacs)

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	224.30	377.81
Adjustments for:		
Depreciation & Amortisation Expenses	222.73	207.36
Inter Corporate Deposits Written off	880.17	116.67
(Profit)/ Loss on disposal of Fixed Assets(Net)	(471.19)	6.49
Dividend income on long term Investments (other than Trade)	(27.98)	(18.72)
Expenses relating to Capital Issuances & Buy-back	1.30	8.16
Finance Costs	162.28	218.17
Interest Income	(790.10)	(724.97)
Net Provision for doubtful debts, loans and advances / (Adjusted)	0.62	5.00
Loss/(Profit) on sale of Investments	20.30	150.75
Operating Profit/(Loss) before working capital changes	222.44	346.72
Movement in working capital:		
(Increase)/Decrease in Trade Receivable	1,663.62	1,049.96
(Increase)/Decrease in Inventories	910.93	(306.69)
Decrease/(Increase) in Loans and Advances	71.45	41.47
Increase/(Decrease) in Current Liabilities & Provisions	(1,470.50)	2,311.07
Cash generated from/(Used in) operations	1,397.94	3,442.51
Direct Tax Paid(Net)	(112.98)	(143.82)
Net cash from/ (used in) operating activities	1,284.96	3,298.69
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(52.18)	(640.08)
Sale of Fixed Assets	201.07	30.61
Movement in Capital Advances	62.50	320.44
Sale of Investments	4,073.56	610.03
Purchases of Investments	(10,365.24)	(760.78)
Movement in Fixed & Call Deposits	0.08	0.03
Inter Corporate Deposits to Bodies Corporate	3,269.83	(1,566.67)
Interest Received	705.31	720.14
Dividend Received	27.98	18.72
Net cash from/(used in) Investing Activities	(2,077.08)	(1,267.56)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	(701.97)	542.31
Buyback of Shares	(208.84)	(1,206.74)
Expenses relating to Capital Issuances & Buy-back	(1.30)	(8.16)
Interest Paid	(162.28)	(218.17)
Dividend Paid	(45.74)	(25.50)
Net cash from/(used in) financing activities	(1,120.14)	(916.26)
Net Increase/(decrease) in Cash and Cash equivalents(A+B+C)	(1,912.26)	1,114.87
Cash and Cash equivalents at the beginning of the year	2,346.33	1,231.46
Cash and Cash equivalents at the end of the year	434.07	2,346.33
Cash on hand	5.30	8.88
Cheques on hand	4.37	1,048.67
Balance with Banks		
In Current Accounts	322.62	1,252.90
In Cash Credit Accounts	101.78	35.88
Earmarked Balances		
In Unclaimed Dividend Accounts	6.83	7.39
In Post Office Saving Bank Accounts	-	0.08
	440.90	2,353.79
LESS :- Fixed Deposit, Margin activity & Post office and treasury saving bank accounts Considered in Investing Activity & Unclaimed Dividend lying with Bank	6.83	7.47
	434.07	2,346.33

As per our Report of even date attached.

For Singhi &amp; Co.

Chartered Accountants

Firm Reg. No. : 302049E

Sd/-

(B.K. Sipani)

Partner

Membership No. 088926

Place : New Delhi

Dated: 28th May, 2013

Sd/-  
(Piyush Agarwal)  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
(P.K. Mohta)  
Chairman & Managing DirectorSd/-  
(Vikram Prakash)  
Director

## NOTES FORMING PART OF THE BALANCE SHEET AS AT AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>1 SHARE CAPITAL</b>			
<b>Authorised</b>			
1,45,00,000 (Previous Year 1,45,00,000)			
Equity Shares of Rs.10/- each		1,450.00	1,450.00
50,000 (Previous Year 50,000) Redeemable Cumulative Preference Shares of Rs.100/- each		50.00	50.00
		<u>1,500.00</u>	<u>1,500.00</u>
<b>Issued</b>			
77,73,127 (Previous year 79,46,540) Equity Shares of Rs. 10/- each fully paid-up		777.31	794.65
		<u>777.31</u>	<u>794.65</u>
<b>Subscribed and Paid-up</b>			
77,27,897(Previous year 79,01,310) Equity Shares of Rs.10/- each	1.1	772.79	790.13
Add : Forfeited Shares (Amount originally Paid-up)		0.17	0.17
		<u>772.96</u>	<u>790.30</u>

1.1 \*Out of total 1,75,385 Equity Shares bought back upto the date of closure i.e.27.03.2013, 1972 Equity Shares were still pending for extinguishment as at 31.03.2013 resulting in reduction of issued, subscribed and paid up share capital only by 1,73,413 Equity Shares.

### Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos.	Rs.	Nos.	Rs.
Number of shares at the beginning	7901310	790.13	8776310	877.63
Less : Shares bought back during the year(Ref1.1)	173413	17.34	875000	87.50
Number of shares at the end	7727897	772.79	7901310	790.13

### Details of the Share holders holding more than 5% shares alongwith number of shares held

Shareholder's Name	As at March 31, 2013		As at March 31, 2012	
	No.of Shares held	% of Equity Shares	Nos. Shares held	% of Equity Shares
Parvati Tea Company Pvt. Ltd.	2709997	35.07	2709997	34.30
Prakash Kumar Mohta	592016	7.66	592016	7.49
Jayshree Finvest Pvt. Ltd.	449124	5.81	449124	5.68
Mudrika Goods Pvt. Ltd.	439746	5.69	439746	5.57
Jayantika Vincom Pvt. Ltd.	437314	5.66	437314	5.53
Diplomat Ltd.	427825	5.54	430354	5.45

### Rights, preferences and restrictions attached with Shares

Equity Shares : The company has issued one class of Equity Share having a par value of Rs. 10/- 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 of their shareholding.

(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>2 RESERVES &amp; SURPLUS</b>			
Shares Buy Back Reserve			
As per last Balance Sheet		222.00	134.50
Add : Reserve created on buy back of equity shares		17.34	87.50
		<u>239.34</u>	<u>222.00</u>
Securities Premium Account			
As per last Balance Sheet		3,103.95	4,310.69
Less : Utilised in Buy Back of Equity Shares		208.84	1,206.74
		<u>2,895.11</u>	<u>3,103.95</u>
General Reserve			
As per last Balance Sheet		5,750.00	5,725.00
Add : Transfer from Statement of Profit & Loss		10.00	25.00
		<u>5,760.00</u>	<u>5,750.00</u>
Surplus as per Statement of Profit & Loss			
Balance Brought Forward from Previous Year		4,366.51	4,156.95
Add: Profit for the period		94.05	280.33
		<u>4,460.56</u>	<u>4,437.28</u>
Less : Appropriations :			
Proposed Dividend	2.1	19.31	39.38
Tax on Dividend		3.28	6.39
Shortfall for Dividend of the year 2011-12		(0.04)	-
Transfer to General Reserve		10.00	25.00
Balance Carried to Next Year		4,428.01	4,366.51
Total Reserves and Surplus		<u>13,322.46</u>	<u>13,442.46</u>
<b>2.1</b> The Board has recommended dividend of Rs. 0.25 (paise twenty five only) per share on 77,25,925 equity shares (net of 1972 equity shares extinguished after balance sheet date) [Previous year Rs. 0.50 (paise fifty only) per share on 78,78,663 equity shares]			
<b>3 DEFERRED TAX LIABILITIES (Net)</b>			
Deferred Tax Liabilities			
Depreciation & Amortisation		259.58	268.77
Gross Deferred Tax Liability		<u>259.58</u>	<u>268.77</u>
Deferred Tax Assets			
Effect of expenditure debited to Statement of Profit & Loss but allowable for tax purposes in following years		216.37	260.63
Gross Deferred Tax Asset		<u>216.37</u>	<u>260.63</u>
Net Deferred Tax Liability		<u>43.21</u>	<u>8.14</u>
<b>4 LONG TERM PROVISIONS</b>			
Provision for Employee Benefits	26.8	44.03	37.97
Provision for Warrantees	8.1	233.18	280.80
		<u>277.21</u>	<u>318.77</u>

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>5 SHORT TERM BORROWINGS</b>			
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	5.1	2.87	704.84
		<u>2.87</u>	<u>704.84</u>
<b>5.1</b>	Secured by equitable mortgage of factory land and other fixed assets at Sonapat unit. Further, hypothecation of movable fixed assets / current assets of the Company namely book debts, receivables, materials, work in progress and finished goods (excepting those of Elevator unit).		
<b>6 TRADE PAYABLES</b>			
Payables for goods and services	6.1 & 6.2	3,509.18	4,536.80
		<u>3,509.18</u>	<u>4,536.80</u>
<b>6.1</b>	The Company has not received any intimation from any of its suppliers regarding their status under the said Act and hence disclosures, relating to amounts unpaid as at the year end along with interest if any payable as required under the said Act have not been given. The Company generally makes payments to all its suppliers within the agreed credit period (generally less than 45 days) and thus, the Management is confident that the liability of interest under this Act, if any, would not be material.		
<b>6.2</b>	Vendor's balances are subject to confirmations and reconciliations.		
<b>7 OTHER CURRENT LIABILITIES</b>			
Security Deposits		52.79	63.36
Statutory Dues		55.54	147.91
Advance from & Credit Balance of Customers & Others		836.80	1,070.64
Advances against Sale of Capital Assets		87.50	348.44
Unpaid Dividend		6.83	7.38
Contractual Deductions by Customers & Price Variation		244.92	278.25
Employee's Emoluments		84.20	91.27
Dues to Others		294.26	235.22
Sub Judicial Matter	7.1	608.08	608.08
		<u>2,270.92</u>	<u>2,850.55</u>

- 7.1** The Company had made claims against Uttar Haryana Bijli Vitran Nigam Ltd. (UHBVNL) (Nigam) for refund of liquidated damages deducted by the Nigam as well as interest on delayed payment of bills/due installments by the Nigam. The arbitrator, appointed by the chairman, UHBVNL, had given award in favour of the Company which was subsequently confirmed by the Additional Distt. Judge, Panchkula (Haryana). The Nigam has, however, filed an appeal with the Hon'ble High Court, Punjab & Haryana. While admitting the appeal, the Hon'ble High Court passed an interim order directing the Nigam to pay to the company a sum of Rs. 608.08 lacs against bank guarantee of the same amount as security to the Nigam. The Nigam has made payment against bank guarantee given to them as security. As the matter is sub-judice, the amount is lying in Other Current Liabilities.

(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>8 SHORT TERM PROVISIONS</b>			
Provision for Employee Benefits	26.8	39.17	22.34
Provision for Warrantees	8.1.1	204.53	304.54
Proposed Dividend on Equity Shares	2.1	19.31	39.38
Tax on Proposed Equity Dividend		3.28	6.39
Provision for Loss on Onerous Contracts	8.1.2	73.00	73.00
Provision for Contingent against Sales Tax Demands	8.1.3	25.00	25.00
		364.29	470.65

**8.1 DISCLOSURES AS PER AS-29**

Particulars	Balance as at 01.04.2012	Additions during the year	Used & reversed during the year	Balance as at 31.03.2013
Provision for Warranties	585.34	49.49	197.13	437.70
	(530.05)	(345.53)	(290.24)	(585.34)
Provision for Loss on Onerous Contracts	73.00	-	-	73.00
	(48.00)	(25.00)	(-)	(73.00)
Provision for Contingency against Sales tax demands	25.00	-	-	25.00
	(25.00)	(-)	(-)	(25.00)
Current Year	683.34	49.49	197.13	535.70
Previous Year	(603.05)	(370.53)	(290.24)	(683.34)

**Additional Notes :-**

**8.1.1** Warranty provision covers the estimated expenses to be incurred during warranty period of the products of the company determined on the basis of past experience. The company reviews the warranty provisions at periodical intervals and the same is adjusted to the estimated expenses to be incurred during the balance warranty period of the product. Expenses incurred during the year against warranties are being directly charged to Statement of Profit & Loss.

**8.1.2** Provision for loss on Onerous Contracts has been made towards estimated amount of loss on pending Railway Electrification jobs.

**8.1.3** Kindly refer to Note No. 26.1 [b(ii)].

9 FIXED ASSETS

(Rs. in Lacs)

S. No.	Particulars	Ref.	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			Book Value at 01.04.2012	Additions	Deductions/ Adjustments	Book Value at 31.03.2013	Upto 31.03.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
A.	Tangible Assets											
1	Land (Leasehold)	1	20.24	-	-	20.24	0.75	0.02	-	0.77	19.47	19.49
2	Land (Freehold)		364.90	-	3.06	361.84	-	-	-	-	361.84	364.90
3	Building, Road & Culverts	2	824.59	-	8.53	816.06	276.21	19.31	8.94	286.58	529.48	548.38
4	Plant & Machinery		2,660.47	15.48	52.41	2,623.54	1,237.52	130.58	6.72	1,361.37	1,262.17	1,422.95
5	Elect. & Gas Installations		51.33	-	-	51.33	27.72	1.34	-	29.06	22.27	23.61
6	Furniture & Fittings		131.50	1.56	2.79	130.27	72.17	3.40	1.08	74.49	55.78	59.33
7	Office Equipments		121.16	10.44	0.85	130.75	82.85	7.83	0.83	89.85	40.90	38.31
8	Motor & Other Vehicles		87.51	5.71	8.25	84.97	35.51	8.23	5.00	38.74	46.23	52.00
	Total - A		4,261.70	33.19	75.89	4,219.00	1,732.73	170.71	22.57	1,880.86	2,338.14	2,528.97
B.	Intangible Assets											
1	Drawing & Development Exp.		164.11	-	-	164.11	35.81	27.35	-	63.16	100.95	128.30
2	Design Software		148.00	-	-	148.00	24.67	24.67	-	49.34	98.66	123.33
	Total - B		312.11	-	-	312.11	60.48	52.02	-	112.50	199.61	251.63
	GRAND TOTAL (A+B)		4,573.81	33.19	75.89	4,531.11	1,793.21	222.73	22.57	1,993.36	2,537.75	2,780.60
	Previous Year		3,672.77	986.34	85.30	4,531.11	1,634.05	207.36	48.20	1,793.21	2,780.60	2,038.72

NOTES:-

1. Leasehold land includes land amounting to Rs. 2.08 lacs (Previous year Rs. 2.08 lacs) under perpetual lease.
2. Building includes Rs. 250/- (Previous Year Rs. 250/-) (Full Amount) being the cost of 5 (Five) Shares issued by Hanuman Unit Holder Premises Co-operative Society Limited, Vadala.
3. Out of the above Fixed Assets Land, Building, Electric Installation and Air Conditioning Plant aggregate value of Rs. 0.49 lacs (Previous Year Rs. 0.49 lacs) are owned with other co-owners.



(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>10 NON CURRENT INVESTMENTS (AT COST)</b>			
Investment in Equity Instruments			
Quoted			
Fully paid-up Equity Shares of Rs. 10/- each (Face Value)			
1,19,163 (Previous Year 1,19,163) in Aditya Birla Nuvo Ltd.		178.81	178.81
31,670 (Previous Year 31,670) in Grasim Industries Ltd.	10.1	-	-
13,915 (Previous Year 13,915) in Ultratech Cement Ltd.	10.2	-	-
Fully paid-up Equity Shares of Rs. 2/- each (Face Value)			
2,25,800 (Previous Year 2,25,800) in Kesoram Textile Mills Ltd.	10.3	-	-
Fully paid-up Equity Shares of Rs. 1/- each (Face Value)			
1,00,000 (Previous Year NIL) in Hindalco Industries Ltd.		105.90	-
Unquoted			
Fully paid-up Equity Shares of Rs. 10 each (Face Value)			
2,25,800 (Previous Year 2,25,800) in Kesoram Insurance Broking Service Ltd.		5.00	5.00
Investment in Mutual Funds			
Unquoted			
4984746 Units of JP Morgan India Active Bond Fund		500.00	-
29785 Units of Baroda Pioneer Liquid Fund		400.00	-
213106 Units of Birla Sun Life Cash Plus Fund		400.00	-
4594692 Units of ICICI Prudential Gilt Fund		1,000.00	-
599864 Units of ICICI Prudential Liquid Fund		600.00	-
1859959 Units of HDFC Income Fund		500.00	-
946474 Units of Birla Sun Life Income Plus Fund		500.00	-
10000000 Units of IIFL Private Equity Fund		1,000.00	-
Investment in Non Convertible Debentures			
Unquoted			
ICICI Prudential AMC Ltd.		750.00	-
Sambhavi Reality Pvt. Ltd.		515.48	-
		<u>6,455.19</u>	<u>183.81</u>
Aggregate Book Value of quoted investments		284.71	178.81
Aggregate Market Value of quoted investments		2,406.47	2,172.87
Aggregate amount of unquoted investments		6,170.48	5.00
<b>10.1</b>	Received pursuant to the scheme of arrangement between Grasim Industries Ltd. and Indian Rayon & Industries Ltd during the year 1999-2000.		
<b>10.2</b>	Received pursuant to scheme of arrangement between Samruddhi Cements Ltd. and Ultratech Cements Ltd. during the year 2010-2011.		
<b>10.3</b>	Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.		
<b>11 LONG TERM LOANS AND ADVANCES</b>			
Unsecured, Considered good			
Capital Advances		-	30.00
Security Deposits		406.07	403.34
Prepaid Expenses		0.08	0.16
		<u>406.15</u>	<u>433.50</u>
<b>12 INVENTORIES</b>			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		543.80	982.85
Work-in-Progress	20.1	1,941.77	1,972.21
Stock-in-Trade		18.18	15.28
Finished Goods		19.51	460.29
Stores and Spares		288.17	291.73
		<u>2,811.43</u>	<u>3,722.36</u>

(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2013	As At 31.03.2012
<b>13 TRADE RECEIVABLES</b>			
Unsecured			
Trade receivables outstanding for a period exceeding six months from due date			
Considered Good (unless otherwise stated)	13.1	2,160.38	1,779.88
(Under litigation Rs. 11.55 Lacs Previous Year Rs. 13.87 Lacs)			
Considered Doubtful		19.76	19.14
Less: Provision for Doubtful Debts		<u>(19.76)</u>	<u>(19.14)</u>
		2,160.38	1,779.88
Others			
Considered Good	13.1	3,818.10	5,862.84
		<u>5,978.48</u>	<u>7,642.72</u>
<b>13.1</b> Balance with customers are subject to confirmations and reconciliations			
<b>14 CASH AND BANK BALANCES</b>			
Cash & Cash Equivalent			
Cash on hand		5.30	8.88
Cheques on Hand		4.37	1,048.67
Balances with banks:			
In Current Accounts		322.62	1,252.90
In Cash Credit Accounts		101.78	35.88
Earmarked Balances			
Bank Balances			
In Unclaimed Dividend Accounts		6.83	7.39
In Post Office Saving Bank Account		-	0.08
		<u>440.90</u>	<u>2,353.80</u>
<b>15 SHORT TERM LOANS AND ADVANCES</b>			
Unsecured Considered good			
Inter Corporate Deposits with Bodies Corporate		600.00	4,750.00
Balance with Excise Authorities		481.78	512.48
Balances with Other Authorities		40.49	60.24
Deposit with Others		159.40	188.32
Advance Income Tax (including refund receivables) (Net)		303.63	285.83
Advance to Suppliers		163.69	135.20
Prepaid Expenses		25.46	11.90
Others		16.55	17.70
		<u>1,791.00</u>	<u>5,961.67</u>
Considered Doubtful			
Other Advances		3.65	3.65
Less : Provision for Doubtful		<u>(3.65)</u>	<u>(3.65)</u>
		<u>1,791.00</u>	<u>5,961.67</u>
<b>16 OTHER CURRENT ASSETS</b>			
Interest Receivable		112.09	27.30
Claims & Others Receivable		11.13	16.75
		<u>123.22</u>	<u>44.05</u>

(Rs. in Lacs)			
Particulars	Ref.	1st April, 2012 to 31st March, 2013	1st April, 2011 to 31st March, 2012
<b>17 REVENUE FROM OPERATIONS (GROSS)</b>			
Sale of Product and Services			
Sale of Finished Goods		10,281.76	16,177.92
Contract Jobs		3,423.92	3,747.19
Maintenance and Services Revenue		695.20	342.37
		<u>14,400.88</u>	<u>20,267.48</u>
Other Operating Income			
Sale of Production Scrap		431.18	549.09
		<u>14,832.06</u>	<u>20,816.57</u>
<b>18 OTHER INCOME</b>			
Interest Income		790.10	724.97
Rent & Licence Fees		145.94	166.45
Royalty Received		30.00	30.00
Dividend Income from Non-Current Investments (Other than Trade)		27.98	18.72
Sundry Balances Written Back		180.87	81.36
Bad-debts Recovered		22.76	26.70
Miscellaneous Income		20.75	70.66
		<u>1,218.40</u>	<u>1,118.86</u>
<b>19 COST OF MATERIAL CONSUMED</b>			
Raw Materials Consumed			
Copper		3553.55	5,404.84
Core		1,483.00	2,975.29
Wires & Sections		743.46	1,145.95
Others		3,292.59	4,742.45
		<u>9,072.61</u>	<u>14,268.52</u>
<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>			
Closing Stock			
Finished Goods		19.51	460.29
Work-in-Progress	20.1	1,941.77	1,972.21
Stock-in-Trade		18.18	15.28
		<u>1,979.46</u>	<u>2,447.78</u>
Less:			
Opening Stock			
Finished Goods		460.29	30.73
Work-in-Progress	20.1	1,972.21	1,820.25
Stock-in-Trade		15.28	17.17
		<u>2,447.78</u>	<u>1,868.15</u>
Decrease / (Increase) in Stock		<u>468.32</u>	<u>(579.63)</u>

	31.03.2013	31.03.2012	31.03.2011
<b>20.1 WORK IN PROGRESS INCLUDES</b>			
Transformers	1,312.02	1,437.69	1,392.85
Elevators	547.29	452.05	344.93
Others	82.47	82.47	82.47

(Rs. in Lacs)			
Particulars	Ref.	1st April, 2012 to 31st March, 2013	1st April, 2011 to 31st March, 2012
<b>21 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries and Wages		1,177.88	1,060.36
Contribution to Provident and Other Funds		141.90	112.96
Workmen and Staff Welfare Expenses		70.59	64.43
		<u>1,390.37</u>	<u>1,237.75</u>
<b>22 FINANCE COSTS</b>			
Interest Expense		136.94	181.35
Other Borrowing Cost		25.34	36.82
		<u>162.28</u>	<u>218.17</u>
<b>23 OTHER EXPENSES</b>			
Stores and Spare Parts Consumed	23.1	386.48	536.87
Processing & Material Handling Expenses		551.54	667.28
Freight outwards, Transport and Octroi Expenses		128.28	153.54
Power & Fuel Expenses		200.70	193.92
Rent		45.68	44.86
Rates and Taxes		17.35	20.82
Service Tax Paid		6.98	2.88
Auditor Remuneration	23.2	10.54	10.72
Repair and Maintenance:			
Buildings		54.60	42.85
Plant and Machinery		32.95	78.92
Others		67.34	55.97
Commission on Sales		133.71	339.40
Insurance		11.93	12.77
Excise Duty on Increase/(Decrease) of Stock		(29.42)	93.29
Legal & Professional Charges	23.3	81.63	69.24
Travelling & Conveyance Expenses	23.4	234.05	181.57
Bank Charges		108.25	128.39
After Sales Services		54.20	448.27
Impulse & Short Circuit Charges		64.30	139.53
Debt, Advance & Other Debit Balances Written-off		120.24	212.76
Provision For Doubtful Debts		0.62	5.00
Loss on Fixed Assets sold/discarded (Net)		8.23	6.49
Foreign Exchange Loss (Net)		0.16	0.14
Contractual Deductions / Recoveries by Customers		108.27	209.69
Erection Charges of Transformers		68.03	80.86
Donation		5.00	5.00
Directors' Commission & Directors Sitting Fees		1.16	3.98
Miscellaneous Expenses	23.5	229.86	328.07
		<u>2,702.65</u>	<u>4,073.08</u>
Less: Transferred to Capital Work in Progress / Capitalised		-	0.63
		<u>2,702.65</u>	<u>4,072.45</u>

(Rs. in Lacs)			
Particulars	Ref.	1st April, 2012 to 31st March, 2013	1st April, 2011 to 31st March, 2012
<b>23.1</b> Stores and Spare Parts consumption includes materials consumed for Repairs and Replacement.			
<b>23.2</b> Payment to Statutory Auditors :			
i) Audit Fee		7.00	7.00
ii) Quarterly review of accounts		3.00	3.00
iii) For Certification		-	0.25
iv) Reimbursement of Expenses		0.54	0.47
<b>23.3</b> Includes Rs. 2.50 Lacs (Previous Year Rs. 2.50 Lacs) to a firm in which a director is a partner.			
<b>23.4</b> Includes Directors' Travelling Rs. 41.96 Lacs (Previous Year Rs. 18.50 Lacs)			
<b>23.5</b> Includes Expenses Relating to buyback of Shares Rs. 1.30 Lacs (Previous Year Rs. 8.16 Lacs)			
<b>24 EXCEPTIONAL ITEMS</b>			
Inter-Corporate Deposits Written off		880.17	116.67
Profit on Sale of Fixed Assets		(462.96)	-
Loss on sale of Current Investments		-	150.75
Loss on Sale of Non Current Investments (other than Trade)		20.30	-
		<u>437.51</u>	<u>267.42</u>

## NOTES ON ACCOUNT

### 25 SIGNIFICANT ACCOUNTING POLICIES

#### a. Nature of Operation

ECE Industries Limited is mainly engaged in the manufacturing and selling of Transformer, Elevators' Components, and Switchgear and is also engaged in the erection and installation of Elevator. The Company has manufacturing facilities at Hyderabad (Andhra Pradesh), Sonapat (Haryana) and Ghaziabad (Uttar Pradesh).

#### b. Basis of Preparation

The financial statements have been prepared to comply in all material in respect with the Notified Accounting Standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except claims lodged with Insurance Company but pending for settlement which is accounted for on cash basis where it is not possible to ascertain the quantum in respect thereof with reasonable accuracy. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### c. Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### d. Depreciation and amortization

##### (i) Tangible Assets

Depreciation on Leasehold Land (except land under perpetual lease) is provided on straight line method over the unexpired lease period. Assets costing less than or equal to Rs. 5,000/- are depreciated fully in the year of purchase.

Depreciation on all other Fixed Assets has been provided on Straight Line Method at the rates computed based on estimated useful life which are equal to corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

##### (ii) Intangible Assets

Intangible assets such as Softwares, Patents etc. are amortized based upon their estimated useful lives of 6 years.

e. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

f. Inventories

Inventories are valued as follows:

Raw materials, stores, spares, other materials and traded goods	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on first in first out basis.
Finished goods and Work-in- progress (own manufactured)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Work in Progress (Long Term Contracts)	Work in Progress i.e. jobs under execution (including materials supplied to clients under the contract) to the extent of work done but not billed is valued at the lower of actual cost incurred upto the completion on reporting date and net realizable value. Cost includes direct materials, labour and proportionate overheads.
Scrap	Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolete/old inventories is made, wherever required, as per the consistently followed system.

g. Revenue Recognition

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year.

Sale of Contract Jobs

Revenue on long term contracts is recognized on the basis of percentage of completion method which is based on specified milestone or in proportionate to the work completed against each contract which are fixed price contract. Provisions are made for the entire loss on a contract irrespective of the amount of work done. Claims on account of price variation receivable / payable from / to the customers are accounted for on the basis of contractual terms. Final adjustments towards estimated claims for extra work are made in the year of settlement.

#### Income from Services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

#### Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

#### Royalties

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

#### h. Foreign Exchange transactions

##### Initial Recognition

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

##### Conversion

Foreign Currency monetary items are reported using the closing rate.

##### Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 07, 2006 are capitalized as a part of fixed asset.

##### Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for that year.

#### i. Leases

##### Where the Company is the Lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



Where the Company is the Lessor

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

j. Retirement & Other Benefits

- (i) Retirement benefit in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- (ii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.
- (iii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation done by an independent actuary carried out at the year end as per projected unit credit method, and is contributed to the Gratuity Fund formed by the Company.
- (iv) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

k. Income Taxes

Tax expense comprises current and deferred Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on items other than unabsorbed depreciation and carry forward tax losses, are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**l. Segment Reporting Policies**

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing strategic business unit/units that/those offer/offers different products and serve/serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter Segment Transfer:

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

**m. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and shares bought back.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**n. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

**o. Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## 26. OTHER NOTES ON ACCOUNTS

## 26.1 Commitments &amp; Contingent Liabilities

	(Rs. in Lacs)	
	2012-13	2011-12
(a) Capital Commitments		
Estimated Amount of contracts remaining to be executed on capital account and not provided for (Advance paid Rs. Nil Previous Year Rs. 30 Lacs)	-	120.00
(b) Contingent liabilities not provided for in respect of :		
Claims against the Company not acknowledged as debts, are as given below :		
(i) Excise Duty	5.82	5.82
(ii) Sales Tax / VAT / Work Contract Tax etc.	178.30	193.82
Provision in an earlier year is being carried forward under the head "Provision for contingencies."		
(iii) Cess & Others	21.92	21.92
(c) Other Claims :		
Other claims against the Company not acknowledged as debts, are as given below** :		
Labour Cases	0.50***	0.50***
Demands raised by Provident Fund / Employee State Insurance department	7.14***	7.14***
Other Claims	52.41***	52.41***
** Based on the Legal Opinions, the Management feels that the Company has a good chance of success in above mentioned cases and hence no provision thereagainst is considered necessary.		
*** In view of large number of cases pending at various Forums / Courts, it is not practicable to give the details of each case. List also includes certain labour matters for which amount of liability is not ascertainable at this stage.		

## 26.2 Basic and Diluted Earning per share

		2012-13	2011-12
Profit / (Loss) available to Equity Shareholders	Rs. in Lacs	94.05	280.33
Equity Shares Outstanding at the beginning of the year	Numbers	7901310	8776310
Equity Shares Outstanding at the year end	Numbers	7727897	7901310
Weighted Average Number of equity shares	Numbers	7842997	8447784
Earnings Per Share (Rs.)		1.20	3.32

## 26.3 Lease Transactions

## In case of assets taken on lease

Operating Lease:		
Lease payments for the year	0.77	0.77
Sub Lease :		
Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the period	39.19	37.13

## 26.4 Segment Information

## (a) Business Segments:

- As of March 31, 2013, there are three business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Meter, Transformer and Switchgear), Elevator and Others. A description of the types of products and services provided by each reportable segment is as follows:
- Electrical Equipments for Power Transmission and Distribution :- The Company deals in meters, manufactures and supplies power and distributes transformers and switchgear.
- Elevator Divisions manufactures equipments/components of elevators for executions of jobs for erection and installation and also the supplies to other parties in the market.
- Other includes Contract Division carries out Contracts of Railway Electrification.

## (b) Geographical Segments:

- Since the Company does not exports and operates in the domestic market which is governed by the same risks and returns, no geographical information is provided.

## (c) Primary segment information (by Business segments)

- The following table presents revenue and profit information regarding business segments for the years ended March 31, 2013 and March 31, 2012 and certain assets and liability information regarding business segments at March 31, 2013 and March 31, 2012.

(d) Segment Information Disclosure:

(Rs. in Lacs)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue								
External Turnover	10,543.33	16,533.97	4,288.72	4,282.61	-	-	14,832.05	20,816.58
Other Income	118.25	147.65	108.68	64.03	0.05	3.59	218.96	215.27
Total Income	10,661.58	16,681.62	4,397.40	4,346.64	0.05	3.59	15,051.01	21,031.85
Results								
Segment results Profit/(Loss)	(74.68)	55.59	497.63	430.47	(10.63)	(31.93)	412.32	454.13
Unallocated Corporate Income (Net)							(411.77)	(409.26)
Operating Profit							824.09	863.39
Less:								
Finance Cost							162.28	218.17
Current Income Tax							95.18	90.00
Deferred Tax (Charge)							35.07	7.48
Exceptional Items							437.51	267.42
Profit from Ordinary Activities							94.05	280.32
Other Information								
Segment Assets	8,818.66	14,070.81	3,002.17	2,755.53	441.06	441.15	12,261.89	17,267.49
Unallocated Corporate Assets							8,301.22	5,855.02
Total Assets							20,563.11	23,122.51
Segment Liabilities	3,538.76	5,642.65	1,582.21	1,608.19	249.19	249.50	5,370.16	7,500.34
Unallocated Corporate Liabilities							1,097.53	1,389.41
Total Liabilities							6,467.69	8,889.75
Capital Expenditure	45.21	226.83	6.51	50.08	-	-	51.72	276.91
Corporate Office Capital Expenditure	-	-	-	-	-	-	0.46	363.17
Total Capital Expenditure							52.18	640.08
Depreciation & Amortisation	182.07	166.31	34.19	34.33	-	-	216.26	200.64
Unallocated Depreciation	-	-	-	-	-	-	6.47	6.71
Total Depreciation							222.73	207.35
Other Non Cash Expenses								
Provision for Doubtful Debts and Loans	0.62	5.00	-	-	-	-	0.62	5.00

26.5 During the earlier year, the Company had entered into an agreement with developer/s for a project to construct residential units for weaker section on the company's surplus land at Hyderabad. Due to the party violating the terms and conditions of agreement dated 17.09.2007, the company had filed a suit in the City Civil Court, Hyderabad, for cancellation of the agreement and for recovery of the possession of the land handed over to developer for construction only. However, the Hon'ble Court has passed an order not accepting the contention of the company. The company has filed an appeal before the Hon'ble High Court of Andhra Pradesh against the above order of the City Civil Court at Hyderabad. The Management does not anticipate any loss/liability to arise on this account.

26.6 Derivative Instruments and unhedged Foreign Currency Exposure :

	Currency	(Rs. in Lacs)	
		2012-13	2011-12
Foreign Currency in Hand	USD	Nil	1.13

26.7 Related Party Disclosure :

Related party Disclosure as identified by the management in accordance with the Accounting Standard - 18 issued by the Accounting Standards by Companies (Accounting Standards) Rules, 2006.

- I. Names of Related Parties
- A Key Management Personnel  
Shri P.K. Mohta Chairman & Managing Director
- B Relative of Related Parties  
Shri Sakate Khaitan Director (Son-in-law of Shri P.K. Mohta)
- C Enterprises over which any person described in [ A & B ] above is able to exercise significant influence and with whom the company has transaction during the year.  
NIL

II. Transactions with Related parties as mentioned in (A) above are as under: (Rs. in Lacs)

Particulars	With Key Management Personnel		Relative of Key Management Personnel	
	Sh. P.K.Mohta(Chairman & Managing Director)		Sh. Sakate Khaitan(Director & Son-in-law of Shri P.K. Mohta)	
	2012-13	2011-12	2012-13	2011-12
Salary/Perquisites	111.88*	56.45*	-	-
Provident/Superannuation Fund	10.71	5.25	-	-
Dividend	2.96	0.67	-	-
Directors' Sitting Fees	-	-	0.15	0.05

\* Excluding Gratuity and Leave Encashment provision on actuarial basis.

## 26.8 Disclosure under AS-15 (Employees' Benefit) :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :

	(Rs. in Lacs)	
Particulars	2012-13	2011-12
(a) Statement of Profit and Loss:		
Net employee benefit expense (recognised in Employee Cost)		
Current service cost	26.27	22.33
Interest cost on benefit obligation	14.90	13.38
Expected return on plan assets	(15.84)	(12.87)
Net actuarial( gain) / loss recognised in the year	22.56	6.76
Net benefit expense	<u>47.90</u>	<u>29.60</u>
(b) Actual return on plan assets	15.44	12.34
(c) Balance Sheet:		
Defined benefit obligation	(239.24)	(189.72)
Fair value of plan assets	239.24	160.12
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	<u>-</u>	<u>(29.60)</u>
(d) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	189.72	158.02
Interest cost	14.90	13.38
Current service cost	26.28	22.33
Benefits paid	(13.82)	(10.25)
Actuarial (gains) / losses on obligation	22.16	6.22
Closing defined benefit obligation	<u>239.24</u>	<u>189.72</u>
(e) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	160.12	133.58
Expected return	15.44	12.87
Contributions by employer	77.50	24.45
Benefits paid	(13.82)	(10.25)
Actuarial gains / (losses)	-	(0.53)
Closing fair value of plan assets	<u>239.24</u>	<u>160.12</u>
(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	%	%
Investments with insurer	100	100
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.		
(g) The Principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	%	%
Discount Rate	8.15	8.75
Expected rate of return on any plan assets	8.25	9.15
Salary Rise	6	6
Employees Turnover	5	5
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(h) Amounts for the current period is as follows:		
Defined benefit obligation	239.24	189.72
Plan assets	239.24	160.12
Surplus / (Deficit)	<u>-</u>	<u>(29.60)</u>

## 26.9 Value of Raw Materials, Spare Parts and components consumed (As certified):

(Rs. in Lacs)

	2012-13		2011-12	
	Rs.	%	Rs.	%
Raw Materials				
Imported	121.63	1.34	84.02	0.59
Indigenous	8,950.98	98.66	14,184.50	99.41
TOTAL	9,072.61	100.00	14,268.52	100.00
Spare Parts				
Imported	-	-	7.61	1.42
Indigenous	386.48	100.00	529.26	98.58
TOTAL	386.48	100.00	536.87	100.00

## 26.10 Other Informations :

	2012-13	2011-12
(a) C.I.F. Value of Imports (On Accrual basis)		
Raw Material (including High Sea Purchase)	83.89	74.26
Components, Spare Parts and Store etc.	2.06	6.96
(b) Expenditure in Foreign Currency (Including for Project) :		
Miscellaneous Expenditures	24.23	10.76
(c) Net Dividend Remitted in Foreign Exchange :		
Period to which it relates	2011-12	2010-11
Number of Non-Resident shareholders	Numbers	2
Amount remitted (in USD)	1,417.17	769.27

26.11 Previous year figures have been reclassified / regrouped to confirm current year figures.

As per our report of even date attached.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. : 302049E  
Sd/-

(B.K. Sipani)  
Partner  
Membership No. 088926  
Place : New Delhi  
Dated: 28th May, 2013

Sd/-  
(Piyush Agarwal)  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
(P.K. Mohta)  
Chairman & Managing Director

Sd/-  
(Vikram Prakash)  
Director

PROXY FORM  
ECE INDUSTRIES LIMITED

Regd. Office : "ECE HOUSE", 28-A, Kasturba Gandhi Marg, New Delhi-110001

Folio No.....

DP Id/Client Id.....

No. of Shares held.....

I/We ..... Resident of .....  
.....  
.....being a Member/ Members of  
ECE Industries Ltd., hereby appoint Mr./Mrs./Miss .....  
resident of .....  
or failing him/her .....  
resident of .....

as my/our proxy to attend and vote for me/us, on my/our behalf, at the 67th Annual General Meeting of the Company, to be held on Wednesday, the 18th September, 2013 at 04.00 P.M. and at any adjournment thereof.

Signed this ..... Day of ....., 2013.



.....  
Signature of Proxy  
holder/Representative

.....  
Signature of Registered  
holder

"Affix  
Revenue Stamp  
here"

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting.

ATTENDANCE SLIP  
ECE INDUSTRIES LIMITED

Regd. Office : "ECE HOUSE", 28-A, Kasturba Gandhi Marg, New Delhi-110001

- 1 Full name of Member .....
- 2 Registered Folio No. .... No. of Shares .....
- 3 DP Id/Client Id .....
- 4 Father's/Husband's Name .....
- 5 Complete Address .....
- 6 Full Name of Proxy, if any .....

I hereby record my presence at the 67th Annual General Meeting of the Company held at 'The Executive Club', 439, Sahoarpur, Fatehpur Beri, New Delhi-110074 on Wednesday, the 18th September, 2013 at 04.00 P.M.

.....  
(Signature of Member/Proxy)

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.



### FINANCIALS FOR THE LAST TEN YEARS

Sl. No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1	Gross Turnover Rs. in lacs	14832.06	20816.57	20176.66	15930.93	23671.31	21305.63	24369.01	10319.42	8678.73	8190.03
2	Gross Earnings Rs. in lacs	447.03	585.17	383.77	1063.20	942.13	2818.44	968.00	419.06	209.85	350.94
3	Taxes Rs. in lacs	130.25	97.48	45.87	136.31	230.00	872.29	108.45	117.90	(19.44)	105.00
4	Cash Flow from Operations Rs. in lacs	316.78	487.69	337.90	928.89	712.13	1946.15	859.55	301.16	229.29	245.94
5	Depreciation Rs. in lacs	222.73	207.36	128.83	114.70	110.48	130.47	113.07	105.17	102.38	94.75
6	Net Earnings Rs. in lacs	94.05	280.33	209.07	812.19	601.65	1815.68	746.48	195.99	126.91	151.19
7	Equity Share Capital Rs. in lacs	772.96	790.30	877.80	438.98	438.98	438.98	438.98	438.98	438.98	438.98
8	Earning per Share Rupees	1.20	3.32	2.88	18.51	13.71	41.38	17.01	4.47	2.86	3.45
9	Net Worth per Equity Share Rupees	182.40	180.13	173.25	242.32	224.39	213.61	175.30	161.21	158.74	157.49
10	Total Dividend Rs. in lacs	19.31	39.38	21.94	21.94	109.70	109.70	109.70	76.79	65.82	65.82
11	Corporate Dividend Tax Rs. in lacs	3.28	6.39	3.64	3.64	18.64	18.64	18.64	10.77	9.40	8.43
12	Dividend per Equity Share Rupees	0.25	0.50	0.25	0.25	2.50	2.50	2.50	1.75	1.50	2.50
13	Net Block Rs. in lacs	2537.75	2780.60	2414.96	1458.90	1282.78	1567.51	1211.82	1078.11	1001.77	860.17
14	Reserves & Surplus Rs. in lacs	13322.46	13442.46	14327.14	10194.23	9407.62	9062.65	7253.11	6634.98	6526.55	6474.86
15	Debt/Equity Ratio	-	-	-	-	0.01	0.02	0.04	0.07	0.001	0.002



Registered Office :  
"ECE HOUSE" 28-A, Kasturba Gandhi Marg  
New Delhi - 110 001  
Ph : 23314237 / 38 / 39  
Fax : 91-11-23310410  
E-mail : [eceho@satyam.net.in](mailto:eceho@satyam.net.in)



# ECE INDUSTRIES LTD.

REGD. OFFICE : ECE HOUSE

28-A, KASTURBA GANDHI MARG, NEW DELHI-110001

PHONE : 2331 4237, 2331 4238, 2331 4239 FAX : 91-11-2331 0410

E-MAIL : eceho@satyam.net.in

Dated: 19/09/2013

## FORM A

(Pursuant to Clause 31(a) of Equity Listing Agreement)

1.	Name of the Company	ECE INDUSTRIES LIMITED
2.	Annual Financial Statement for the year ended	31 <sup>ST</sup> MARCH, 2013
3.	Type of Audit observation	UN-QUALIFIED
4.	Frequency of observation	REPETITIVE
5.	Signed by – <ul style="list-style-type: none"><li>• Shri P.K. Mohta (Chairman &amp; Managing Director)</li><li>• Shri R. Prasad (President – Corporate Affairs, Finance &amp; Legal and CFO)</li><li>• Shri B.K. Sipani <i>Partner</i> <i>Singhi &amp; Co., Chartered Accountants</i> (Statutory Auditor)</li><li>• Shri Vikram Prakash (Chairman - Audit Committee)</li></ul>	   