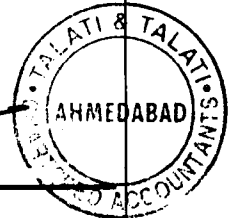




**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	EIMCO ELECON (INDIA) LTD.
2.	Annual financial statements for the year ended	31-03-2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Nil
5.	Signed by	<b>For, EIMCO ELECON (INDIA) LTD.</b>
		<i>M.G. Rao</i> <b>M.G. Rao</b> Wholetime Director
		<b>For, EIMCO ELECON (INDIA) LTD.</b>
		<i>N. D. Shelat</i> <b>Nilesh D. Shelat</b> Company Secretary
		<i>U. Talati</i> <b>U. Talati</b> Auditor of the Company
	CFO	
	Audit Committee Chairman	<i>Nalin M. Shah</i> <b>Nalin M. Shah</b>



**EIMCO ELECON (INDIA) LIMITED**

**ANNUAL REPORT  
2013-2014**

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mr. Nilesh D. Shelat

**AUDITORS**

Messrs Talati & Talati  
Chartered Accountants  
Ahmedabad

**COST ACCOUNTANTS**

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

**BANKERS**

State Bank of India  
Anand

**REGD. OFFICE & WORKS**

Vallabh Vidyanagar  
Gujarat - Pin 388 120.

**REGISTRAR & SHARE TRANSFER AGENTS****Mumbai Office**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W)  
Mumbai - 400 078

**Vadodara Office**

Link Intime India Pvt. Ltd.  
B-102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota.  
Vadodara - 390 020.

**EIMCO ELECON (INDIA) LTD.**

(CIN : L29199GJ1974PLC002574)

Registered Office : Anand-Sojitra Road,

Vallabh Vidyanagar - 388 120. Dist. Anand, Gujarat.

E-mail : investor@eimcoelecon.in

Website : www.eimcoelecon.in

Phone : 02692 - 230502 / 230602, Fax : 02692 - 236506

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 40<sup>th</sup> Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be held on Tuesday, the 5<sup>th</sup> August, 2014 at 2.30 P.M. at the Registered Office of the Company at Vallabh Vidyanagar 388120, Gujarat State to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014 and Statement of Profit & Loss Account for the year ended on that date and the reports of the Directors & Auditors.
2. To declare dividend.
3. To appoint a Director in place of Mr. P. C. Amin (holding DIN 01056652) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

5. To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting;

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as

an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nalin Shah (holding DIN 00882723), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nirmal Bhogilal (holding DIN 00173168), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vihang Virkar (holding DIN 02661057), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive



years for a term up to 31<sup>st</sup> March, 2019.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. H. S. Parikh (holding DIN 00127160), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 the Company hereby accords its approval to the revision in remuneration payable to Mr. M. G. Rao, Wholetime Director with effect from 1<sup>st</sup> April, 2014 as set out under item No.10 of the Explanatory Statement annexed to this Notice”.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors other than the Managing Director and Wholetime Director of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by

the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from 1<sup>st</sup> April 2014.

**RESOLVED** further that the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

12. To consider and if thought fit, to pass ,with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members be and is hereby granted to the Board of Directors of the Company (herein referred to as the “Board”, which term shall include any Committee thereof constituted/to be constituted by the Board to exercise its powers to the extent permitted by law), to borrow monies, from time to time, for the purpose of the Company’s business, notwithstanding that the monies to be borrowed by the Company, if any, together with monies already borrowed by the Company (apart from temporary Loans obtained from the Company’s bankers in the ordinary course of business) and remaining outstanding at any point of time may exceed the aggregate of the Company’s paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 100 crores.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do and execute all such acts, deeds and things and take all such steps as may be necessary or desirable to give effect to the above Resolution”.

By order of the Board of Directors

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

Date : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
Company Secretary

## NOTES :

- A. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY/PROXIES FORM/S IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- B. The Register of members & Share transfer Books of the Company will be closed from 30-07-2014 to 05-08-2014 (both days inclusive).
- C. The payment of dividend on equity shares as recommended by the directors for the year ended 31<sup>st</sup> March, 2014 when declared at the meeting will be paid:
1. To those members whose names appear in the Register of Members of the Company on 29-07-2014;
  2. In respect of shares held in electronics form, to those “deemed members” whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) at the end of business hours on 29-07-2014.
- D. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched between 7-08-2014 and 9-08-2014.
- E. The members desiring to have any information on accounts are requested to write to the Company Secretary at least one week in advance of the meeting to enable the Company to keep the information ready.
- F. The members are requested to bring with them their copy of Balance Sheet as no arrangement has been made to distribute additional copies as a measure of economy.
- G. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd.
- H. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Link Intime India Pvt. Ltd., for assistance in this regard.
- I. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- J. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- K. **Voting through electronic means**  
E-Voting:  
The COMPANY is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically. The instructions for E-Voting are as under:  
**Step 1.** Open your web browser during the

voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (i) **Step 2.** Click on “Shareholders” tab.
- (ii) **Step 3.** Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”. EVSN - 140617005.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID) Members holding shares in Physical Form should enter Folio Number registered with the

Company and then enter the Captcha Code as displayed and Click on Login.

- (iv) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user follow the steps given below.

**Step 4.** Now, fill up the following details in the appropriate boxes.

	For members holding shares in Demat Form	For members holding shares in Physical Form
<b>PAN Number</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number : EEIL12345Z	Enter your 10 digit alpha numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number : EEIL12345Z
<b>DOB*</b>	Enter the date of birth recorded in the demat account or registered with the company for the demat account in DD/MM/YYYY format.	Enter the date of birth recorded in the folio under which you are going to vote in DD/MM/YYYY format.
<b>Dividend Bank Details*</b>	Enter your dividend bank details (Account Number) recorded in the demat account or registered with the company for the demat account.	Enter your dividend bank details (Account Number) recored in the folio under which you are going to vote.

\*Any one of the details DOB or Dividend bank details should be entered for logging in to the account.

# (Option 1) If the Date of Birth & Bank Account Details both are not updated with the Company/ Depository Participant then please enter your User ID in the Bank Account Details.

# (Option 2) Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

(They can choose any one option of the above (Option 1 or Option 2) regarding Date of Birth & Bank Account Details. If they opt for default value in Bank Account details / PAN please see

the same is uploaded in the ROM file by the RTA. The default value should be exactly same including the same case as all login details are case sensitive).

**Step 5.** After entering these details appropriately, click on “SUBMIT”.

**Step 6.** (i) Members holding shares in physical form will then reach directly the EVSN selection screen. EVSN - 140617005. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are



eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**Step 7.** Click on the relevant EVSN on which you choose to vote. EVSN - 140617005.

**Step 8.** On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

**Step 9.** Click on the Resolution File Link if you wish to view the Notice.

**Step 10.** After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

**Step 11.** Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- (i) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (ii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (iii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (iv) In case you have any queries or issues

regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The e-Voting period commences on 28<sup>th</sup> July, 2014 (9.00 am) and ends on 30<sup>th</sup> July, 2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The scrutinizer shall, within a period of not exceeding three (3) working days from the conclusion of the e-Voting, unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and forward to the Chairman of the Company.

The Results shall be declared on or after the Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.eimcoelecon.in](http://www.eimcoelecon.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

- ii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- iii. Mr. Dinesh Bhimani, Practising Company Secretary (Membership No. ACS: 12192; CP No: 6628) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login ID and password are to be used.
- v. For Members holding shares in physical form, the password and default number can be used





- only for e-Voting on the resolutions given in the notice.
- vi. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.co.in](http://www.evotingindia.co.in) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
  - vii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
  - viii. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

L. Information as per Clause 5 of the Listing Agreement regarding ‘Unclaimed Suspense Account’ of Equity Shares :

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2013.	24	1450
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2014.	24	1450

By order of the Board of Directors

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

Date : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
Company Secretary

**ANNEXURE TO THE NOTICE**
**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**
**Item No.5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Y. S. Thakar & Co. as Cost Auditors at fees of ₹ 32,000/- to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No.6**

Mr. Nalin Shah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2012. Mr. Nalin Shah is Chairman of the Audit Committee of the Board of Directors of the Company.

Mr. Nalin Shah has pursued Chartered Accountancy from Institute of Chartered Accountants in England & Wales. He joined S. B. Billimoria & Co. and became a partner of the firm in 1977. S. B. Billimoria became an affiliate of Deloitte Haskins & Sells in 2000 and also became a partner of Deloitte Haskins & Sells. His other Directorship and Committee Membership of other Companies are as under:

Company	Position	Committee Memberships	Chairman/ Member
Artson Engg. Ltd.	Director	Audit Committee	Chairman
		Shareholders/ Grievance Committee	Member
DCB Bank Ltd.	Director	Audit Committee	Member
ABC Bearings Ltd.	Director	Stakeholders Grievance Committee	Member
		Remuneration Committee	Member
Cholamandalam Investment & Finance Co. Ltd.	Director		

Mr. Nalin Shah does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Nalin Shah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Nalin Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Nalin Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Nalin Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Nalin Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nalin Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nalin Shah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Nalin Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No.7**

Mr. Nirmal Bhogilal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2011. Mr. Nirmal Bhogilal is member of the Audit Committee of the Board of Directors of the Company.

Mr. Nirmal Bhogilal is B.Sc (Engg.) Chemical Engg. (London University) A.C.G.I. He is Chairman and Managing Director of Batliboi Ltd. and Member of its Shareholders/Grievance & Share Transfer Committee.

Mr. Nirmal Bhogilal does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Nirmal Bhogilal retires by rotation at the ensuing

Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Nirmal Bhogilal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Nirmal Bhogilal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Nirmal Bhogilal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Nirmal Bhogilal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nirmal Bhogilal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr Nirmal Bhogilal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Nirmal Bhogilal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

#### Item No.8

Mr. Vihang Virkar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2009. Mr. Vihang Virkar is member of the Audit Committee of the Board of Directors of the Company.

Mr. Vihang Virkar has done LL.M from University of Mumbai. He is Lawyer by Profession.

Mr. Vihang Virkar is not a Director in any other Company in India.

Mr. Vihang Virkar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Vihang Virkar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Vihang Virkar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Vihang Virkar as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Vihang Virkar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vihang Virkar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vihang Virkar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr Vihang Virkar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vihang Virkar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

#### Item No.9

Mr. H. S. Parikh is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 1992. Mr. H. S. Parikh is member of the Audit Committee of the Board of Directors of the Company.

Mr. H. S. Parikh is a Chartered Accountant. His other Directorship and Committee Membership of other Companies are as under:

Company	Position	Committee Memberships	Chairman/Member
Elecon Engg. Co. Ltd.	Director	Audit Committee	Member
		Shareholders/ Grievance Committee	Member
		Remuneration Committee	Chairman
Simplex Castings Ltd.	Director	Audit Committee	Member
		Share Transfer/ Investment Grievance Committee	Member
		Remuneration Committee	Member
Supreme Industries Ltd.	Director	Audit Committee	Chairman
		Remuneration Committee	Chairman

Mr. H. S. Parikh holds 1450 Shares of the Company alongwith his relatives.

Mr. H. S. Parikh retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. H. S. Parikh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. H. S. Parikh as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. H. S. Parikh fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. H. S. Parikh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. H. S. Parikh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. H. S. Parikh as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. H. S. Parikh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

#### **Item No.10**

Mr. M. G. Rao was appointed as Wholtime Director of the company for a period of 5 years with effect from 8-9-2011. The appointment and remuneration was approved by the members at the Annual General Meeting of the Company held on 30-7-2012.

Keeping view of the growth and complexity of the business of the company, the Board of Directors of the company at its meeting held on 24-4-2014, upon recommendation of Nomination & Remuneration Committee, revised, subject to the approval of members of the Company, the remuneration payable to Mr. M. G. Rao with effect from 1-4-2014 as under :

Annual Bonus : Minimum annual Bonus of ₹ 5 lacs with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum amount of ₹ 15 lacs per annum.

The other terms and conditions of the appointment shall remain same as approved by the members of the company at the Annual General Meeting held on 30-7-2012.

The remuneration and perquisites shall be within the limits prescribed u/s 196 & 197 and other applicable provisions of the Companies Act, 2013 read with schedule V of the said Act.

None of the Directors or Key Management Persons of the company is concerned or interested other than Mr. M.G.Rao in the resolution set out in item No. 10 of the Notice.

#### **Item No.11**

The members of the Company at their 37<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> August, 2011 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years commencing April 2010.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 coming into effect from 1<sup>st</sup> April, 2014 and taking into account the roles and responsibilities of the directors, it is proposed that the Directors other than Managing Director and the Wholtime Director be paid for each of the five financial years of the Company commencing from 1<sup>st</sup> April, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings. Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company



other than Managing Director and Wholetime Director, for a period of five years commencing from 1<sup>st</sup> April, 2014 as set out in the Resolution at Item No. 11 of the Notice. The Managing Director, Wholetime Director and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 of the Notice. Directors other than the Managing Director and the Wholetime Director of the Company may be deemed to be concerned or interested in the resolution set out at Item No. 11 of the Notice to the extent of the remuneration that may be received by them.

#### Item No.12

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹100 Crores (Rupees one hundred crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

#### **DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:**

##### **Re-appointment of Mr. P. C. Amin**

The Board had appointed Mr. P. C. Amin as a Director of the Company with effect from 25-10-2007, liable to retire by rotation. Mr. P. C. Amin is due to retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. Mr. P. C. Amin is 58 years old and holds a Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani, India. His other Directorships and Committee Memberships of other Companies are as under :

Company	Position	Committee Member ships	Chairman/ Member
Elecon Engineering Co. Ltd.	Wholetime Director		
Power Build Ltd.	Director	Audit Committee	Chairman
Elecon Information Technology Ltd.	Director		
Emtici Engineering Ltd.	Director		
Akaaish Mechatronics Ltd.	Director		
Elecon Peripharals Ltd.	Director		
Madhubhan Prayas Resorts Ltd.	Director		
Prayas Engineering Ltd.	Director		
Elecon EPC Projects Ltd.	Director		
Eimco Elecon Electricals Ltd.	Director		

##### **Appointment of other Directors (Item Nos. 6 to 9)**

For the details of M/s. Nalin Shah, Nirmal Bhogilal, Vihang Virkar and H. S. Parikh, please refer to the above Explanatory Statement in respect of the Special Business set out at item Nos. 6 to 9 of the Notice of Annual General meeting pursuant to Section 102 of the Companies Act, 2013.

By order of the Board of Directors

Registered office:

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

**Nilesh D. Shelat**  
Company Secretary

Date : 24<sup>th</sup> April, 2014

## DIRECTORS' REPORT

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

The Directors have pleasure in presenting their 40<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS

(₹ in Lacs)

	31-03-2014	31-03-2013
	(₹)	(₹)
Profit before Tax	2803.61	2014.49
Less: Provision for Taxation	787.06	500.96
<b>PROFIT AFTER TAX</b>	<b>2016.55</b>	1513.53
Add: Balance brought forward from last year	360.03	366.45
	<b>2376.58</b>	1879.98
<b>APPROPRIATED AS</b>		
Proposed Dividend	230.74	230.74
Tax on Distributed Profit	39.21	39.21
Transfer to General Reserve	1800.00	1250.00
Balance Carried Forward	306.63	360.03
<b>Total</b>	<b>2376.58</b>	1879.98

### 2. PERFORMANCE

During the year under review, the Company has achieved the turnover of ₹ 19779.05 Lacs (previous year ₹ 17556.97 Lacs). The net profit stood at ₹ 2016.55 Lacs (previous year ₹ 1513.53 Lacs).

### 3. DIVIDEND

Your directors recommend for your consideration a dividend of ₹ 4/- (previous year ₹ 4/-) per share of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2014.

### 4. INSURANCE

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

### 5. FIXED DEPOSITS

During the year under review, your Company

has not accepted any fixed deposits under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. There were no unclaimed deposits as on 31<sup>st</sup> March, 2014.

### 6. DIRECTORS

Mr. P. C. Amin retires by rotation and, being eligible, offers himself for reappointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

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

### 8. MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as Annexure 4 to this Report.

### 9. CORPORATE GOVERNANCE

Your Company has always striven to incorporate





appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Listing Agreements with the Stock Exchanges are complied with.

A detailed report on Corporate Governance is appearing as Annexure 3 to this Report along with the Auditors' Certificate on its compliance by the Company.

#### **10. PERSONNEL**

Industrial relations in the Company were cordial throughout the year under review. The Board of Directors of the Company wishes to place on record its sincere appreciation for the continued support and good work of all employees.

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure-1 to this Report.

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

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

#### **12. AUDITORS**

The Auditors, M/s. Talati & Talati, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

#### **13. COST AUDITORS**

The Board has appointed M/s. Y. S. Thakar & Co. Cost Accountants, Vadodara (Regn. No.00318) to carry out the Cost Audit of the Company for the Financial year 2014-15.

#### **14. ACKNOWLEDGEMENT**

The Board records its thanks to the Company's Bankers, Financial Institutions, Government, Collaborators and other agencies for their support extended to the Company and look forward to their continued support.

For and on behalf of the Board of Directors

**P. B. Patel**  
Vice Chairman

**M. G. Rao**  
Wholetime Director

Place : Mumbai  
Date : 24<sup>th</sup> April, 2014

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

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors’ Report for the financial year ended 31<sup>st</sup> March, 2014.

Name of employees employed throughout the year :

Sr. No.	Name	Age Yrs.	Qualification	Date Of Joining	Designation	Nature Of Duty	Remuneration Received		Experience (yrs)	Last Employment & Designation
							Gross ₹	Net ₹		
1.	Mr. M. G. Rao	55	M.E. (Welding Engg.)	08-09-11	Whole time Director	Overall Management	77,56,442	39,30,992	34	McNally Sayaji Engg. Ltd. (Chief Operating Officer)
2	Mr. D. M. Patel	61	B.E. (Mech.)	01-09-12	Group President	Production In Charge	73,49,875	42,30,378	37	Power Build Ltd. (Wholetime Director)

**Notes:**

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

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

Particulars required to be disclosed in the report of Board of Directors pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, and forming part of the Directors' report for the year ended 31<sup>st</sup> March, 2014.

**[A] Conservation of energy :**

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

**[B] Technology absorption :**

Form B (rule 2)

Research & Development (R & D)

The Company has a Government recognized R & D Department which is manned with well qualified personnel and equipped with Computer Aided Design System.

- Benefit derived as a result of the above R & D: R & D efforts have helped bring out improvements in processes, product design and operating efficiencies. Indigenous development & supply of the underground mining machinery saved the country a sizable amount of foreign exchange, besides availability of machines at shorter notice.

- Future plan of action :

Continuous measures are being taken to achieve indigenisation of existing machines and efforts are put to introduce new models suitable to Indian mining conditions.

- Expenditure:

- Capital : ₹ 96.49 lacs
  - Recurring : ₹ 284.59 lacs
  - Total R & D expenditure
- Percentage of total turnover : 1.93 %

**[C] Technology absorption, adaptation & innovation:**

- Efforts, in brief, made towards technology absorption, adaptation & innovation:

The technologies so far imported by the Company have been absorbed and adapted/innovated to make them suitable to the Indian mining conditions by the active involvement of the R & D Department.

- Benefits derived as a result of above efforts: Absorption, adaptation & innovation of imported technology have lead to less dependence on imports of these products. This has saved a considerable amount of foreign exchange and reduced the cost of production.

- Technology imported:

[a] Year of Imports: The company has signed Two Collaboration Agreements as mentioned below:

(i) Agreement dated 12-12-2006 with Ahlmann Baumaschinen GmbH, Germany for manufacture of Front End Articulated Loader.

(ii) Agreement dated 12-05-2008 with Huta Stalowa Wola, S.A Poland for manufacture of 520G Wheel Loader.

[b] Whether technology fully absorbed:

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

**[D] Foreign exchange earning & outgo:**

- During the year the Company has exported goods worth ₹ 1.71 Lacs and continues to make efforts to push up exports.
- Foreign Exchange used & earned:

<u>Used</u>	<u>Earned</u>
₹ 1865.03 Lacs	₹ 1.71 Lacs

For and on behalf of the Board of Directors

**P. B. Patel**  
Vice Chairman

**M. G. Rao**  
Wholetime Director

Place : Mumbai  
Date : 24<sup>th</sup> April, 2014

## Corporate Governance Report

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

#### 1. Company's philosophy

The Company is committed to good Corporate Governance. The mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges have been fully implemented by your Company. The Company firmly believes in the rights of its stakeholders to information regarding the Company's business and financial performance.

#### 2. Board of Directors (the Board)

During the year 2013-2014, Six (6) Board Meetings were held i.e. on  
30<sup>th</sup> April, 2013  
1<sup>st</sup> August, 2013  
17<sup>th</sup> September, 2013  
24<sup>th</sup> October, 2013  
11<sup>th</sup> November, 2013  
30<sup>th</sup> January, 2014

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended out of 6 held	Attendance at AGM held on 1 <sup>st</sup> August, 13	No. of other Directorships in other companies (excluding Directorships in foreign and private companies)	No. of Committee positions held in other public companies	
						Member	Chairman
1.	Mr. P. B. Patel	NED (P)	5	Yes	11	1	Nil
2.	Mr. P. M. Patel	NED (P)	6	Yes	6	5	Nil
3.	Mr. P. C. Amin	NED (P)	5	Yes	10	Nil	1
4.	Mr. Vihang Virkar	NED (I)	5	No	Nil	Nil	Nil
5.	Mr. H. S. Parikh	NED (I)	6	No	3	5	3
6.	Mr. Nalin Shah	NED (I)	5	Yes	4	4	1
7.	Mr. Nirmal Bhogilal	NED (I)	5	No	1	1	Nil
8.	Mr. M. G. Rao	WTD	5	Yes	1	Nil	Nil

NED (P) : Non Executive Director (Promoter)

NED (I) : Non Executive Director (Independent)

WTD : Whole-time Director

Personal Shareholding of Non-Executive Directors is as follows:

No. of Equity shares as at the year end

Mr. P. M. Patel	Nil
Mr. H. S. Parikh	1300 Shares
Mr. P. C. Amin	1275 Shares
Mr. Vihang Virkar	Nil
Mr. Nalin Shah	Nil
Mr. Nirmal Bhogilal	Nil
Mr. P. B. Patel	17796 Shares

**3. Audit Committee**

The composition of the Audit Committee is as under:

Mr. Nalin Shah (Chartered Accountant)	Chairman	NED-I
Mr. H. S. Parikh (Chartered Accountant)	Member	NED-I
Mr. P. M. Patel	Member	NED-P
Mr. P. C. Amin	Member	NED-P
Mr. Vihang Virkar	Member	NED-I
Mr. Nirmal Bhogilal	Member	NED-I

The Vice Chairman, Wholetime Director, Company Secretary, Head of Accounts, Internal Auditors and Statutory Auditors are invitees to the Meetings.

Meetings and attendance during the year :

Members	Attendance at Committee Meeting held on			
	30 <sup>th</sup> April, 2013	1 <sup>st</sup> August, 2013	24 <sup>th</sup> October, 2013	30 <sup>th</sup> January, 2014
Mr. Nalin Shah	Yes	Yes	Yes	Yes
Mr. P. M. Patel	Yes	Yes	Yes	Yes
Mr. Nirmal Bhogilal	Yes	Yes	Yes	Yes
Mr. H. S. Parikh	Yes	Yes	Yes	Yes
Mr. P. C. Amin	Yes	Yes	Yes	Yes
Mr. Vihang Virkar	Yes	Yes	Yes	Yes

**4. Remuneration Committee**

The composition of the Remuneration Committee is as under :

Mr. H. S. Parikh	Chairman	NED-I
Mr. Vihang Virkar	Member	NED-I
Mr. P. M. Patel	Member	NED-P

Meetings and attendance during the year :

Members	Attendance at Committee Meeting held on 30 <sup>th</sup> April, 2013
Mr. H. S. Parikh	Yes
Mr. Vihang Virkar	Yes
Mr. P. M. Patel	Yes

The details of remuneration paid to Wholetime Director are as under :

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Mr. M. G. Rao Wholetime Director	4,78,000 p.m. + 5,00,000 Bonus p.a.	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 1956.	Nil	77,56,442	5 years from 08-09-2011

Bonus	Nil
Stock Options	Nil
Pension	Nil
Others	Nil

The details of remuneration paid to Non-Executive Directors are as under :

Name	Sitting Fees		Commission	Total (₹)
	Board Meeting	Committee Meeting		
Mr. P. B. Patel	1,00,000	20,000	2,50,000	3,70,000
Mr. P. M. Patel	1,20,000	1,00,000	2,50,000	4,70,000
Mr. H. S. Parikh	1,20,000	1,20,000	2,50,000	4,90,000
Mr. P. C. Amin	80,000	1,00,000	2,50,000	4,30,000
Mr. Vihang Virkar	1,00,000	1,00,000	2,50,000	4,50,000
Mr. Nalin Shah	1,00,000	80,000	2,50,000	4,30,000
Mr. Nirmal Bhogilal	1,00,000	80,000	2,50,000	4,30,000

#### 5. Investors' Grievance Committee / Shareholders' Committee

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

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

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



## 6. General Body Meetings

### A. Annual General Meetings

The location, date and time of the last three Annual General Meetings held are as under:

Year	Venue	Date	Time
2012-2013	Registered Office at Vallabh Vidyanagar, Gujarat	01-08-2013	12.00 Noon
2011-2012	-do-	30-07-2012	11.30 a.m
2010-2011	-do-	02-08-2011	03.00 pm

### B. Special Resolution

Particulars of Special Resolution passed is as follows:

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

### C. Postal Ballot

The Company has not passed any resolution through postal ballot during the year 2013-2014.

## 7. Disclosures

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

## 8. CEO/CFO Certification

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

**9. Means of Communication**

i.	Half yearly report sent to each shareholders residence.	No
ii.	In which newspapers quarterly results were normally published.	Economics Times (English & Gujarati) Business Standard (English) Jansatta (Gujarati)
iii.	Any website where results or official news are displayed.	www.eimcoelecon.in
iv.	The presentation made to institutional investors or to the analysts.	No.
v.	Whether Management Discussion and Analysis is part of Annual Report or not	Yes, contained in the Directors' Report

**10. General Shareholder Information**

- i. AGM – date, time and venue Tuesday, the 5<sup>th</sup> August, 2014 at 2.30 p.m.  
at Regd. Office  
Vallabh Vidyanagar.
- ii. Financial year 2013-2014 (year ending 31-03-2014)
- iii. Book Closure Date 30-07-2014 to 05-08-2014 (both days inclusive)
- iv. Dividend payment date Credit / Dispatch of dividend warrants between 07-08-14 and 09-08-14
- v. Unclaimed Dividend :

Section 205 of the Companies Act, 1956, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Year	Date of Declaration	Date of Payment	Date on which dividend will become part of IEPF
2006-2007	16 <sup>th</sup> July, 2007	18 <sup>th</sup> July, 2007	15 <sup>th</sup> July, 2014
2007-2008	29 <sup>th</sup> July, 2008	1 <sup>st</sup> August, 2008	28 <sup>th</sup> July, 2015
2008-2009	30 <sup>th</sup> July, 2009	1 <sup>st</sup> August, 2009	29 <sup>th</sup> July, 2016
2009-2010	30 <sup>th</sup> July, 2010	2 <sup>nd</sup> August, 2010	29 <sup>th</sup> July, 2017
2010-2011	2 <sup>nd</sup> August, 2011	3 <sup>rd</sup> August, 2011	1 <sup>st</sup> August, 2018
2011-2012	30 <sup>th</sup> July, 2012	2 <sup>nd</sup> August, 2012	29 <sup>th</sup> July, 2019
2012-2013	1 <sup>st</sup> August, 2013	3 <sup>rd</sup> August, 2013	31 <sup>st</sup> July, 2020

- vi. Listing on Stock Exchanges

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

Bombay Stock Exchange Limited  
P. J. Towers, 25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001

The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> floor  
Plot No. C/1, G Block  
Bandra - Kurla Complex  
Bandra (E)  
Mumbai - 400 051.

The listing fee for the year 2013-2014 for the above Stock Exchanges have been paid in time and there being neither de-listing nor suspension of company's shares from trading during the year under review.

vii. Stock Code

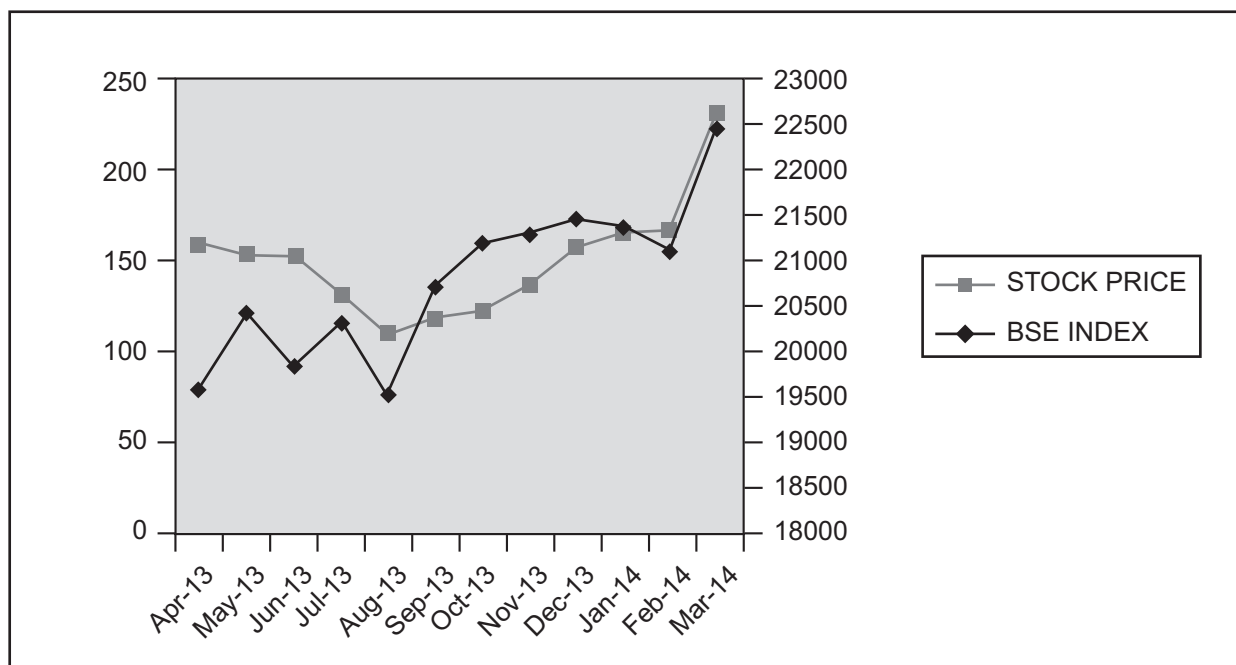
The Stock Code of company's shares is as follows :

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

viii. Market Price Data

	Bombay Stock Exchange Ltd.			BSE Index		National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	High	Low	Volume
Apr 2013	160.00	144.00	11003	19622.68	18144.22	163.80	147.45	2700
May 2013	154.90	129.00	8459	20443.62	19451.26	169.00	132.00	4036
Jun 2013	154.00	113.05	10506	19860.19	18467.16	153.95	115.15	2972
Jul 2013	133.00	113.95	5799	20351.06	19126.82	129.10	112.05	6441
Aug 2013	111.00	98.40	5876	19569.20	17448.71	112.85	101.00	3699
Sep 2013	119.75	105.10	8764	20739.69	18166.17	115.00	104.20	4940
Oct 2013	123.90	112.15	7624	21205.44	19264.72	123.35	111.10	3239
Nov 2013	138.00	116.10	10531	21321.53	20137.67	132.00	115.00	3137
Dec 2013	159.00	128.50	14520	21483.74	20568.70	159.60	129.00	3611
Jan 2014	166.00	133.00	7203	21409.66	20343.78	170.25	152.50	1941
Feb 2014	168.00	147.00	10150	21140.51	19963.12	168.95	147.00	7721
Mar 2014	231.85	154.80	48488	22467.21	20920.98	235.00	154.00	26781

ix. Index graph



## x. Share Transfer System

No. of Transfers during the year	: 5
No. of Shares transferred	: 600

 xi. Distribution of shareholding as on 31<sup>st</sup> March, 2014:

Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of Shareholding
1-500	5218	94.5976	564573	9.7874
501-1000	131	2.3749	101895	1.7664
1001-2000	75	1.3597	111580	1.9343
2001-3000	22	0.3988	56202	0.9743
3001-4000	14	0.2538	50147	0.8693
4001-5000	21	0.3807	96395	1.6711
5001-10000	15	0.2719	107994	1.8722
10001 & above	20	0.3626	4679599	81.1250
<b>Total</b>	<b>5516</b>	<b>100.0000</b>	<b>5768385</b>	<b>100.0000</b>

 xii. Shareholding Pattern as at 31<sup>st</sup> March 2014

	Category	No. of shares held	% of Shareholding
A	Promoters' holding		
1.	-Indian promoters	2817645	48.8463
	-Foreign Promoters	1447875	25.1002
2.	-Persons acting in concert	6275	0.1088
	<b>Sub-total</b>	<b>4271795</b>	<b>74.0553</b>
B.	Non-Promoters' Holding		
3.	Institutions		
a.	Mutual Funds / UTI	276428	4.7921
b.	Financial Institutions/ Banks	200	0.0035
	<b>Sub-total</b>	<b>276628</b>	<b>4.7956</b>
4.	Non-Institutions		
a.	Bodies Corporate	170607	2.9576
b.	Indian Public	1022110	17.7192
c.	Non-Resident Indians	20420	0.3540
d.	Any other	6825	0.1183
	<b>Sub-total</b>	<b>1219962</b>	<b>21.1491</b>
	<b>GRAND TOTAL</b>	<b>5768385</b>	<b>100.0000</b>



xiii. Dematerialization of shares and liquidity.

As directed by SEBI, trading in the shares of the company have compulsorily to be in dematerialized form for all the investors with effect from 26<sup>th</sup> June, 2000.

As on 31<sup>st</sup> March 2014, 72.64% (4190154 Shares) have been dematerialized.

xiv. Outstanding GDR/ADR/Warrants or convertible instruments :

Nil

xv. Plant location : Eimco Elecon (India) Ltd.  
Anand-Sojitra Road  
Vallabh Vidyanagar - 388 120  
Dist. Anand, Gujarat

xvi. Address for correspondence: As above

xvii. Registrar & Share Transfer Agents

Mumbai Office :  
M/s. Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W)  
Mumbai - 400 078.

Vadodara Office :  
M/s. Link Intime India Pvt. Ltd.  
B-102 &103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota.  
Vadodara - 390 020.  
EMAIL : vadodara@linkintime.co.in  
Phone number - 0265-2356573  
0265-2356794

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and senior management personnel have affirmed Compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2014.

Place : Mumbai

Date : 24<sup>th</sup> April, 2014

**M. G. Rao**

Wholetime Director





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

To,  
The Members of  
EIMCO ELECON (INDIA) LTD.  
Anand-Sojitra Road,  
Vallabh Vidyanagar - 388 120.  
Dist. Anand, Gujarat

We have examined the compliance of conditions of corporate governance by EIMCO ELECON (INDIA) LTD. for the year ended 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars to the Company as on 31<sup>st</sup> March, 2014 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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

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

Place : Mumbai  
Date : 24<sup>th</sup> April, 2014

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

## Management's Discussion and Analysis

### ANNEXURE-4 TO DIRECTORS' REPORT - ITEM NO.8

#### INDUSTRY STRUCTURE AND DEVELOPMENT

##### COAL MINING INDUSTRY

India's current growth prospects continue to depend on a most abundant fossil fuel i.e. Coal as it accounts for 55% of the country's energy need. Commercial primary energy consumptions in India has grown by about 700% in the last four decades and is expected to rise driven by rising population, expanding economy and a quest for improved quality of life. Apart from this considering limited reserve potentiality of petroleum and natural gas, eco-conservation restrictions on hydel projects and geo-political perception of nuclear power, coal will continue to occupy centre stage of India's energy scenario.

India's Coal Reserves have increased by more than 20 billion tons in the last three years and stood at around 123 billion tons as of April 2013. At the current level of production, the reserves are likely to sustain for more than two centuries, compared to the global average of 112 years.

For India, Coal reserves are not a problem. The real issue is exploiting these reserves as in spite of abundant availability we have not been able to become self dependent so far and imports for thermal as well as coking coal are going up every year. India's Coal imports may cross 170 MT during 2013-14 and outflow of substantial foreign exchange is envisaged in future on import of thermal as well as coking coal due to mismatch of production and demand. Major producer of Coal-Coal India Ltd. which accounts for 80% of domestic coal production is likely to miss its target of 462 MT during fiscal year 2013-14 and the same fate is experienced by the 2<sup>nd</sup> largest producer - Singareni Collieries Co. Ltd. who have also fallen short of target due to various natural as well as technical reasons.

Ever since the Coal Sector was nationalized, miners in India have had taken recourse to the easy way of surface mining, which is not only cheap, but also requires little skills and is a less risky proposition compared to underground mining. The share of underground mining has steadily reduced over the decades and continues to decline till now. Unless there is a serious attention and efforts on underground mining, the vast reserves of coal lying in depths may not really come to any use ever.

##### FUTURE SCENARIO

Coal India Ltd. the major producer of coal having plan

to produce 615 MT by the terminal year of the 12<sup>th</sup> plan (2016-17) and further plans to expand it to 795 MT by 2021-22 of the terminal year of 13<sup>th</sup> Plan have taken many steps to meet targets such as offering coal blocks for mining by private players. Implementation of these steps will largely depend on speedy clearances by the regulatory bodies.

The Company has been able to tap business from all private players engaged in coal and non coal mining operations for range of products manufactured. The Company has future plans to diversify from mining equipment business of other mining related systems used in the Indian mining industry. The Company has already received a contract for installation of Chair Lift Man Riding System for trails in one of the Coal mine of Coal India Ltd. for faster and safe movement of miners and after successful run of this system, it expects to enter into this business in a big way.

##### CONSTRUCTION EQUIPMENT INDUSTRY

Infrastructure has become a buzz word in the last couple of years in the Indian economy. There exists a huge growth potential of investments in raising the overall good infrastructure of our country which is at its nascent stage at the moment. Moreover, good infrastructure acts as a catalyst in industrial & overall growth of the nation. A great emphasis, being put on for good infrastructure to help industry by the Government, has opened new avenues of investment in the infrastructure sectors.

Growing urbanization, increasing affordability, better availability of financing and an urge for time bound execution of products, will fundamentally spur up the demand for construction equipment. Even the Government has kept an ambitious target of 1 trillion dollar of investment in infrastructure projects in its 12<sup>th</sup> Five Year Plan. Based on the recent projections, the ECE (Earthmoving & Construction Equipment) market is expected to grow by a healthy 20 to 25 percent over the next few years.

##### FUTURE SCENARIO

Excited with the expected growth various Global manufacturers have put their stake by investing in the Indian Construction Equipment Industry over a period of last 5 to 6 years that include some of the big names



from Japan, USA, Italy and Korea. Simultaneously, a number of domestic players are seen to be expanding their capabilities or diversifying their product portfolios through collaboration & tie-up arrangements with a hope to take advantage as soon as economic scenario improves.

#### **OPPORTUNITY AND THREATS**

Model AL-120 Wheel Loader of 1.2 Cum capacity which has gradually & steadily established its superiority in its class of loader market will now be spread across the length & breadth of the Nation through a well established distribution network. We are pleased to inform you that bigger Loader AL-520 of 1.9 Cum has been successfully launched this year. A good amount of business is envisaged for this capacity of loader.

#### **OUTLOOK FOR THE COMPANY**

With the all-round revival of coal companies and introduction of state-of-the-art technologies products for mining as-well-as for construction sector, your Company is expected to do better in the coming years.

#### **RISK AND CONCERNS**

The main risk and concern of the company remains that it will continue to depend more on Government clients for some more time.

#### **INTERNAL CONTROL SYSTEM**

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory /statutory requirements.

#### **DEVELOPMENTS ON HUMAN RESOURCE/ INDUSTRIAL RELATIONS FRONT**

The Company attaches utmost priority to human resource development with focus on regular upgradation of the knowledge and skills of all employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully. The company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the company continue to be cordial.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK.**

Sales & Other income for the year ended 31<sup>st</sup> March, 2014 were ₹ 19779.05 lacs as compared to ₹ 17556.97 lacs on 31<sup>st</sup> March, 2013. The net profit stood at ₹ 2016.55 lacs (previous year ₹ 1513.53 lacs).

#### **CAUTIONARY STATEMENT**

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Eimco Elecon (I) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place : Mumbai  
Date : 24<sup>th</sup> April, 2014

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

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any major part of the Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) During the year the company has not given any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause (iii) (b),(c),(d) are not applicable to the company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no continuing failure to correct major weaknesses has been noticed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) During the year, the Company has not accepted any deposits under the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, income-tax, sales-tax wealth-tax, service tax, custom duty, excise duty cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.



(b) The disputed Statutory dues aggregating to ₹ 599.21 lacs, that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under

Sr. No.	Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act 1961	Income Tax/ Penalties	14.44	Various years from 2002-03 to 2010-11	Appellate Authority
2	Central Excise Act, 1944	Excise Duty and Service Tax	584.77	Various years from 2006-07 to 2010-11	Appellate Authority

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

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

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

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

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

(xv) In our opinion and according to the explanations given to us the company has given corporate guarantee amounting to ₹ 3037.50 Lacs for loans taken by its associate from banks. The terms and other conditions, in our opinion, are not prime facie prejudicial to the interest of Company.

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

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

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

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

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

(xxi) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Company has been noticed or reported for the year under audit.

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

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

Place : Mumbai  
Date : 24<sup>th</sup> April, 2014

**BALANCE SHEET**

As at 31 <sup>st</sup> March		Note No.	2014	(₹ in Lacs) 2013
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a)	Share Capital	3	576.84	576.84
(b)	Reserves and Surplus	4	18,168.35	16,421.75
			<u>18,745.19</u>	<u>16,998.59</u>
<b>(2) Non - current liabilities</b>				
(a)	Deferred tax liabilities (Net)	24.6	19.44	64.72
(b)	Long - term provisions	5	51.91	52.77
			<u>71.35</u>	<u>117.49</u>
<b>(3) Current liabilities</b>				
(a)	Trade Payables	6	2,431.73	1,629.01
(b)	Other current liabilities	7	742.49	307.87
(c)	Short - term provisions	8	486.19	459.63
			<u>3,660.41</u>	<u>2,396.51</u>
	<b>Total ...</b>		<u><u>22,476.95</u></u>	<u><u>19,512.59</u></u>
<b>II. ASSETS</b>				
<b>(1) Non - current assets</b>				
(a)	Fixed assets	9		
(i)	Tangible assets		1,448.51	1,411.29
(ii)	Intangible assets		204.68	257.35
(iii)	Capital work-in- progress		96.15	210.63
(b)	Non-current investments	10A	1,298.50	1,325.97
(c)	Long-term loans and advances	11	301.65	155.58
			<u>3,349.49</u>	<u>3,360.82</u>
<b>(2) Current assets</b>				
(a)	Current investments	10B	5,782.38	4,893.44
(b)	Inventories	12	2,534.00	5,425.96
(c)	Trade receivables	13	9,571.91	4,822.91
(d)	Cash and Bank Balance	14	396.33	359.50
(e)	Short-term loans and advances	15	842.84	649.96
			<u>19,127.46</u>	<u>16,151.77</u>
	<b>Total ...</b>		<u><u>22,476.95</u></u>	<u><u>19,512.59</u></u>

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

As per our report of even date attached

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

**UMESH H. TALATI**  
Partner  
Membership No.34834

Mumbai : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
(Company Secretary & CFO)

For and on behalf of the Board of Directors

**Mr. P. B. Patel** Vice Chairman

**Mr. M. G. Rao** Wholetime Director

Mumbai : 24<sup>th</sup> April, 2014

**STATEMENT OF PROFIT AND LOSS ACCOUNT**

For the Year Ended 31 <sup>st</sup> March		Note No.	2014	2013
			(₹ in Lacs)	
<b>I</b>	<b>Revenue From Operations</b>	<b>16</b>		
a)	Sale of Products (Gross)		20,460.44	18,141.68
	Less : Excise Duty		1,237.33	1,104.19
	Sale of Products (Net)		<u>19,223.11</u>	<u>17,037.49</u>
b)	Sale of Services		3.46	3.52
c)	Other Operating Revenue		112.78	115.63
	<b>Total ( a+b+c)</b>		<u><b>19,339.35</b></u>	<u><b>17,156.64</b></u>
<b>II</b>	<b>Other income</b>	<b>17</b>	<u><b>439.70</b></u>	<u><b>400.33</b></u>
<b>III</b>	<b>Total Revenue (I + II)</b>		<u><b>19,779.05</b></u>	<u><b>17,556.97</b></u>
<b>IV</b>	<b>Expenses :</b>			
	Cost of material consumed	<b>18</b>	5,713.54	6,541.53
	Purchase of Stock in Trade		3,192.29	3,259.65
	Change in Inventories of finished goods, work in progress and Stock in trade	<b>19</b>	1,765.38	-795.75
	Employee benefits expenses	<b>20</b>	1,048.02	1,041.86
	Research and Development Expenses	<b>21</b>	284.59	170.71
	Finance costs	<b>22</b>	29.59	40.50
	Depreciation and amortization ( Refer Note 9 (a) )	<b>9</b>	511.33	524.60
	Other expenses	<b>23</b>	4,430.70	4,759.38
	<b>Total Expenses</b>		<u><b>16,975.44</b></u>	<u><b>15,542.48</b></u>
<b>V</b>	Profit before exceptional and extraordinary items and tax (III - IV)		<u><b>2,803.61</b></u>	<u><b>2,014.49</b></u>
<b>VI</b>	Exceptional Item (Net)		-	-
<b>VII</b>	<b>Profit before tax (V-VI)</b>		<u><b>2,803.61</b></u>	<u><b>2,014.49</b></u>
<b>VIII</b>	Less/ [Add] :Tax expenses			
(1)	Current tax		825.00	535.00
(2)	Short Provision of Income Tax		7.35	12.25
(3)	Deferred tax		(45.29)	(46.29)
<b>IX</b>	<b>Profit for the Period (VII - VIII)</b>		<u><b>2,016.55</b></u>	<u><b>1,513.53</b></u>
<b>X</b>	Earnings per equity share :	<b>24.5</b>		
	Equity Shares of par value of ₹10/- each			
(1)	Basic		34.96	26.24
(2)	Diluted		34.96	26.24
	No. of shares used in computing earning per share			
(1)	Basic		57,68,385	57,68,385
(2)	Diluted		57,68,385	57,68,385

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

As per our report of even date attached

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

**UMESH H. TALATI**  
Partner  
Membership No.34834

Mumbai : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
(Company Secretary & CFO)

For and on behalf of the Board of Directors

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

Mumbai : 24<sup>th</sup> April, 2014



**CASH FLOW STATEMENT**

(₹ in Lacs)

 For the year ended 31<sup>st</sup> March

**2014**
**2013**
**A. CASH FLOW FROM OPERATING ACTIVITIES:**

 Net Profit before tax **2,803.61** **2,014.49**
**Add:**

1) Depreciation and amortization	<b>511.33</b>	524.60	
2) Interest Paid	<b>1.65</b>	0.12	
3) Loss on assets discarded	<b>-</b>	17.52	542.24
	<b>512.98</b>		
	<b>3,316.59</b>		<b>2,556.73</b>

**Less:**

1) Interest Received	<b>45.89</b>	48.18	
2) Dividend Received	<b>154.70</b>	299.30	
3) Profit on Sale of Assets	<b>1.09</b>	-	
4) Profit on Sale of Investments	<b>157.11</b>	-	347.48
	<b>358.79</b>		

**Operating profit before change in working capital** **2,957.80** **2,209.25**
**Changes in Working Capital**
**Add / (Less) :**

1) Inventories	<b>2,891.96</b>	(1,199.78)	
2) Trade payable	<b>1,263.04</b>	(104.03)	
3) Trade receivables	<b>(4,749.00)</b>	248.36	
4) Loans and Advances	<b>(282.12)</b>	897.43	(158.02)
	<b>(876.12)</b>		

**Cash generated from operation** **2,081.68** **2,051.23**
**Less :**

 1) Income Tax (Net) **889.18** **752.42**
**NET CASH INFLOW FROM OPERATING ACTIVITIES (A)** **1,192.50** **1,298.81**
**B. CASH FLOW FROM INVESTING ACTIVITIES :**

1) Sale of Fixed Assets	<b>7.99</b>	100.80	
2) Sale of Investments	<b>2,161.05</b>	-	
3) Interest Received	<b>45.89</b>	48.18	
4) Dividend Received	<b>154.70</b>	299.30	448.28
	<b>2,369.63</b>		

**Less:**

1) Purchase of Fixed Assets	<b>364.30</b>	416.19	
2) Purchase of Investments	<b>2,889.40</b>	1,139.27	1,555.46
	<b>3,253.70</b>		

**NET CASH UTILISED IN INVESTING ACTIVITIES (B)** **(884.07)** **(1,107.18)**

## CASH FLOW STATEMENT (Contd...)

(₹ in Lacs)

For the year ended 31<sup>st</sup> March20142013

## C. CASH FLOW FROM FINANCING ACTIVITIES:

## Outflow:

1) Interest paid	1.65		0.12	
2) Dividend Paid	<u>269.95</u>	<u>271.60</u>	<u>268.17</u>	268.29

<b>NET CASH OUTFLOW IN FINANCING ACTIVITIES (C)</b>	<u><u>(271.60)</u></u>		<u><u>(268.29)</u></u>	
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<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>36.83</b>			(76.66)
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Cash and Cash Equivalents as at 01/04/2013	<u>359.50</u>			<u>436.16</u>
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Cash and Cash Equivalents as at 31/03/2014	<u>396.33</u>			<u>359.50</u>
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	<u><u>396.33</u></u>			<u><u>359.50</u></u>
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As per our report of even date attached

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

**UMESH H. TALATI**  
Partner  
Membership No.34834

Mumbai : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
(Company Secretary & CFO)

For and on behalf of the Board of Directors

**Mr. P. B. Patel**

Vice Chairman

**Mr. M. G. Rao**

Wholetime Director

Mumbai : 24<sup>th</sup> April, 2014

## SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1. COMPANY OVERVIEW

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF ACCOUNTING

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

#### 2.2 USE OF ESTIMATES

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on the management's evaluation of relevant facts and circumstances as on date of the Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 2.3 FIXED ASSETS AND DEPRECIATION

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use, but excluding Cenvat / Service Tax / VAT credit availed. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

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

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

Fixed assets individually costing Rs 5,000/- or less are fully depreciated in the year of purchase/ installation. Depreciation on additions and disposals during the current reporting period is provided on a pro-rata basis.

Intangible assets are shown at Cost of Acquisition less accumulated amortization. Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of the assets as under:

Assets	Year
Technical Know How	7 Years
Computer & Computer Software	4 Years

#### 2.4 INVESTMENTS

Investments which are expected to be realized within twelve months from the Balance Sheet date are classified as current investments. All other investments are classified as Non-current investments.

Current Investments are carried at lower of the cost and fair market value of each investment individually. Non-current investments are carried at cost less provision for diminution other than temporary, in value if, any, as at the Balance Sheet date.

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investments properties are carried at cost less accumulated depreciation.

#### 2.5 INVENTORIES

Inventories are stated at Cost or Net Realizable Value whichever is lower after considering credit of VAT and Cenvat.

Cost of Raw-Material, Spares and Components is determined on weighted average cost.

Cost of Work in Progress includes cost of raw material, appropriate share of labour and manufacturing overheads and valued at lower of cost or net realizable value.

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

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 (Contd...)****2.6 REVENUE RECOGNITION**

Sales are stated net of rebate and trade discount and excluding Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export incentives are accounted for as and when the claims thereof have been admitted by the authorities.

Dividend Income is accounted when the right to receive the dividend is established.

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

**2.7 OPERATING LEASE**

Leases, where the lessor effectively retains substantially of all the risks and benefits of ownership of the leased items, are classified as operating leases.

Lease revenue and Lease expenses under operating Lease are recognized on straight line basis.

**2.8 EMPLOYEE BENEFITS****(a) Short Term**

Short Term employee benefits are recognized as expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

**(b) Long Term**

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

**(c) Defined Contribution Plans**

These are plans in which the Company pays pre-defined amounts to separate funds and do not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund and Superannuation Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

**(d) Defined Benefit Plans**

Expenses for defined benefit gratuity payment plans are calculated as at the Balance Sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

**(e) Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Leave liability in respect of leave encashment is determined based on actuarial valuation done by Actuary as at Balance Sheet date.

**2.9 EXCISE DUTY**

Excise duty payable on production and custom duty payable on imports are included in the value of finished goods, both in respect of goods cleared and lying in bonded warehouse.

**2.10 FOREIGN CURRENCY TRANSACTIONS**

Foreign currency 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 transactions.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or/on reporting monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

Monetary assets & liabilities denominated in foreign currency remaining unsettled at the year-end are translated at closing rates.

The premium or discount arising at inception of forward exchange contract is amortized as expense or income over the

## **SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 (Contd...)**

life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss.

### **2.11 RESEARCH AND DEVELOPMENT EXPENSES**

All revenue expenditure related to R&D, including expenses in relation to development of product/ processes, are charged to the Statement of Profit and Loss in the period in which they are incurred.

Capital expenditure on research and development is classified separately under tangible/intangible assets and depreciated on the same basis as other fixed assets.

### **2.12 BORROWING COSTS**

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings, if any, is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

### **2.13 TAXATION**

Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from “timing differences that are temporary in nature” between accounting and taxable profit is accounted for, using the tax rates and laws that have been enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty, as the case may be, that the asset will be realized in future.

### **2.14 EARNING PER SHARE**

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

Diluted Earning per Share is calculated by dividing net profit attributable to Equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the current reporting period.

### **2.15 CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents comprise cash and balance with banks. The Company considers all highly liquid investments with remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalent.

### **2.16 CASH FLOW STATEMENT**

The Cash Flow Statement is prepared under the “indirect method” set out in Accounting Standard-3 on “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Company.

### **2.17 IMPAIRMENT OF ASSETS**

The carrying value of assets of the Company’s cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

### **2.18 PRODUCT WARRANTY EXPENSES**

Product warranty expenses are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty cost in the period of recognition of revenue.

### **2.19 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

## 3. SHARE CAPITAL:

As at 31 <sup>st</sup> March	<u>2014</u>	<u>2013</u>
<b>(a) Authorised :</b> (10,000,000 Equity shares of ₹ 10/- each)	<u>1,000.00</u>	<u>1,000.00</u>
<b>(b) Issued, Subscribed and Fully paid</b>		
Issued 57,68,386 Equity Shares of ₹10 each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10 each	576.84	576.84
Issued but not Subscribed 1 (One) Equity Share of ₹10 each	-	-
<b>(c) Par Value of Share (₹ 10/- each)</b>		
<b>Total ..</b>	<u><u>576.84</u></u>	<u><u>576.84</u></u>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:**

Number of shares at the beginning	57,68,385	57,68,385
Number of shares at the end	57,68,385	57,68,385
Amount of Share Capital at the beginning	577	577
Amount of Share Capital at the end	577	577

**Details of Shareholders holding more than 5% equity shares**

Elecon Engineering Company Ltd. (16.62%)	9,58,426	9,58,426
EMTICI Engineering Ltd. (14.19%)	8,18,303	8,18,303
K. B. Investments Private Ltd. (8.44%)	4,87,015	4,87,015
Tamrock Great Britain Holdings Ltd. (25.10%)	14,47,875	14,47,875

**Terms / Rights attached to Shares**

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/- per Share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31<sup>st</sup> March, 2013 the amount of dividend per share recognised as distribution to equity shareholders was ₹ 4/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 4. RESERVES AND SURPLUS:

As at 31 <sup>st</sup> March	<u>2014</u>	<u>2013</u>
<b>(a) Capital Reserves</b>		
Balance as per last balance sheet	2.91	2.91
<b>(b) Securities Premium Reserve</b>		
Balance as per last balance sheet	753.83	753.83
<b>(c) General Reserve</b>		
Balance at the beginning of the year	15,304.98	14,054.98
Add : Transfer from statement of profit and loss	1,800.00	1,250.00
	<u><u>17,104.98</u></u>	<u><u>15,304.98</u></u>

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

<b>4. RESERVES AND SURPLUS (Contd...)</b>		(₹ in lacs)	
<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
<b>(d) Surplus as per statement of Profit and Loss</b>			
Balance brought forward	360.03	366.45	
Add : Profit for the period	2,016.55	1,513.53	
	<u>2,376.58</u>	<u>1,879.98</u>	
Less : <b>Appropriations :</b>			
Proposed Dividend	230.74	230.74	
Tax on Proposed Dividend	39.21	39.21	
Transfer to General Reserve	1,800.00	1,250.00	
	<u>2,069.95</u>	<u>1,519.95</u>	
Balance carried forward	306.63	360.03	
<b>Total ..</b>	<b><u>18,168.35</u></b>	<b><u>16,421.75</u></b>	
<b>5. LONG TERM PROVISIONS :</b>			
<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
(a) Provision for Employee benefits - Leave liability	51.91	52.77	
<b>Total ..</b>	<b><u>51.91</u></b>	<b><u>52.77</u></b>	
<b>6. TRADE PAYABLES :</b>			
<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
(a) Due to Micro, Small and Medium Enterprises	420.33	102.07	
(b) Others	2,011.40	1,526.94	
<b>Total ..</b>	<b><u>2,431.73</u></b>	<b><u>1,629.01</u></b>	

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

(a) Principal amount remaining unpaid to any supplier as at the year end	420.33	102.07
(b) Interest due thereon	-	-
(c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.



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

(₹ in lacs)

## 7. OTHER CURRENT LIABILITIES :

As at 31 <sup>st</sup> March	<u>2014</u>	<u>2013</u>
(a) Unclaimed dividends	12.51	12.37
(b) Other payables		
Advance from Customers	38.81	55.67
Statutory Payables	526.32	132.76
Provision for Expenses	143.52	82.01
Purchase of Capital Goods	21.33	25.06
<b>Total ..</b>	<u><u>742.49</u></u>	<u><u>307.87</u></u>

## 8. SHORT TERM PROVISIONS :

As at 31 <sup>st</sup> March	<u>2014</u>	<u>2013</u>
(a) Provision for Employee benefits - Leave Liability	22.89	19.68
(b) Others		
Provision for Warranty	193.35	170.00
Proposed Dividend	230.74	230.74
<b>Provision for :</b>		
Tax on Proposed Dividend	39.21	39.21
<b>Total ..</b>	<u><u>486.19</u></u>	<u><u>459.63</u></u>



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

## 9. FIXED ASSETS - CURRENT YEAR

(₹ in lacs)

ASSETS	GROSS BLOCK (AT COST)		DEPRECIATION		NET BLOCK			
	As at 1 <sup>st</sup> April 2013	Additions	Deductions/ Transfer	As at 31 <sup>st</sup> March 2014	For the Year	Deductions/ Transfer	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2014
<b>Tangible Assets :</b>								
Freehold Land	19.26	-	-	19.26	-	-	-	19.26
Buildings	458.60	227.53		686.13	26.95		305.68	380.45
Plant & Machinery	6,154.17	85.71	9.18	6,230.70	282.65	8.72	5,507.79	722.92
Electric Fittings	90.87	17.70		108.57	4.89		62.48	46.09
Office Equipments and Airconditioners	171.29	1.59		172.88	5.56		124.24	48.64
Furniture and Fixtures	242.31	2.88		245.19	7.30		209.55	35.64
Vehicles	259.85	41.47	27.48	273.84	35.36	22.19	160.04	113.80
<b>Tangible Assets (A)</b>	<b>7,396.35</b>	<b>376.88</b>	<b>36.66</b>	<b>7,736.57</b>	<b>362.71</b>	<b>30.91</b>	<b>6,369.78</b>	<b>1,366.80</b>
<b>Intangible Assets :</b>								
Technical know how	301.40	-	-	301.40	28.49	-	280.81	20.59
Software	201.29	5.41	-	206.70	51.42	-	116.29	90.41
<b>Intangible Assets (B)</b>	<b>502.69</b>	<b>5.41</b>	<b>-</b>	<b>508.10</b>	<b>79.91</b>	<b>-</b>	<b>397.10</b>	<b>111.00</b>
<b>Research &amp; Development :</b>								
<b>Tangible Assets</b>								
Plant & Machinery	89.49	45.78	-	135.27	15.25	-	59.06	76.21
Office Equipments and Airconditioners	11.00	2.17	2.82	10.35	2.78	1.69	4.86	5.49
Furniture and Fixtures	0.61	-	-	0.61	-	-	0.60	0.01
<b>Tangible Assets (C)</b>	<b>101.09</b>	<b>47.95</b>	<b>2.82</b>	<b>146.22</b>	<b>18.03</b>	<b>1.69</b>	<b>64.51</b>	<b>81.71</b>
<b>Intangible Assets :</b>								
Software	89.90	48.54	-	138.44	26.71	-	44.76	93.68
<b>Intangible Assets (D)</b>	<b>89.90</b>	<b>48.54</b>	<b>-</b>	<b>138.44</b>	<b>26.71</b>	<b>-</b>	<b>44.76</b>	<b>93.68</b>
<b>Total R &amp; D (C+D)</b>	<b>190.99</b>	<b>96.49</b>	<b>2.82</b>	<b>284.66</b>	<b>44.74</b>	<b>1.69</b>	<b>109.27</b>	<b>175.39</b>
<b>Total R &amp; D (A+B+C+D)</b>	<b>8,090.03</b>	<b>478.78</b>	<b>39.47</b>	<b>8529.34</b>	<b>487.36</b>	<b>32.60</b>	<b>6,876.15</b>	<b>1,653.19</b>
<b>Total Tangible Assets (A+C)</b>	<b>7,497.44</b>	<b>424.83</b>	<b>39.47</b>	<b>7,882.80</b>	<b>380.74</b>	<b>32.60</b>	<b>6,434.29</b>	<b>1,448.51</b>
<b>Total Intangible Assets (B+D)</b>	<b>592.59</b>	<b>53.95</b>	<b>-</b>	<b>646.54</b>	<b>106.62</b>	<b>-</b>	<b>441.86</b>	<b>204.68</b>

Notes :

(a) Depreciation includes Depreciation on Fixed Assets ₹ 487.36 Lacs and ₹ 23.97 Lacs Depreciation on Investment in Property.

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

(₹ in lacs)

## 9. FIXED ASSETS - PREVIOUS YEAR

ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK
	As at 1 <sup>st</sup> April 2012	Additions	Deductions/ Transfer	As at 31 <sup>st</sup> March 2013	For the Year	Deductions/ Transfer	As at 31 <sup>st</sup> March 2013
<b>Tangible Assets :</b>							
Freehold Land	19.26	-	-	19.26	-	-	19.26
Buildings	591.99	8.77	142.16	458.60	23.13	30.57	179.87
Plant & Machinery	7,000.31	15.17	861.31	6,154.17	350.77	753.90	920.32
Electric Fittings	72.62	18.26	-	90.88	3.40	-	33.29
Office Equipments and Airconditioners	164.31	7.50	0.53	171.28	7.81	0.46	52.60
Furniture and Fixtures	235.19	7.12	-	242.31	9.09	-	40.06
Vehicles	251.86	25.38	17.39	259.85	34.15	6.91	112.98
<b>Tangible Assets (A)</b>	<b>8,335.54</b>	<b>82.20</b>	<b>1,021.39</b>	<b>7,396.35</b>	<b>428.35</b>	<b>791.84</b>	<b>1,358.38</b>
<b>Intangible Assets :</b>							
Technical know how	301.40	-	-	301.40	30.74	-	49.08
Software	157.34	43.95	-	201.29	44.70	-	136.42
<b>Intangible Assets (B)</b>	<b>458.74</b>	<b>43.95</b>	<b>-</b>	<b>502.69</b>	<b>75.44</b>	<b>-</b>	<b>185.50</b>
<b>Research &amp; Development :</b>							
<b>Tangible Assets</b>							
Plant & Machinery	86.88	10.05	7.44	89.49	8.33	7.07	45.68
Office Equipments and Airconditioners	10.95	0.05	-	11.00	1.22	-	7.23
Furniture and Fixtures	0.61	-	-	0.61	-	-	0.01
<b>Tangible Assets (C)</b>	<b>98.43</b>	<b>10.10</b>	<b>7.44</b>	<b>101.09</b>	<b>9.55</b>	<b>7.07</b>	<b>52.91</b>
<b>Intangible Assets :</b>							
Software	15.00	74.90	-	89.90	4.87	-	71.85
<b>Intangible Assets (D)</b>	<b>15.00</b>	<b>74.90</b>	<b>-</b>	<b>89.90</b>	<b>4.87</b>	<b>-</b>	<b>71.85</b>
<b>Total R &amp; D (C+D)</b>	<b>113.43</b>	<b>85.00</b>	<b>7.44</b>	<b>190.99</b>	<b>14.42</b>	<b>7.07</b>	<b>124.76</b>
<b>Total R &amp; D (A+B+C+D)</b>	<b>8,907.71</b>	<b>211.15</b>	<b>1,028.83</b>	<b>8,090.03</b>	<b>518.21</b>	<b>798.91</b>	<b>1,668.64</b>
<b>Total Tangible Assets (A+C)</b>	<b>8433.97</b>	<b>92.30</b>	<b>1,028.83</b>	<b>7,497.44</b>	<b>437.90</b>	<b>798.91</b>	<b>1,411.29</b>
<b>Total Intangible Assets (B+D)</b>	<b>473.74</b>	<b>118.85</b>	<b>-</b>	<b>592.59</b>	<b>80.31</b>	<b>-</b>	<b>257.35</b>

Notes :

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

(b) Depreciation includes Depreciation on Fixed Assets ₹ 518.21 Lacs and ₹ 6.39 Lacs Depreciation on Investment in Property.



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

(₹ in lacs)

## 10. INVESTMENTS (AT COST)

As at 31<sup>st</sup> March

	Face Value	No. of Shares / Units	31-03-2014	No. of Shares / Units	31-03-2013
<b>(A) Non Current Investments - at cost</b>					
<b>(i) Trade (Unquoted)</b>					
<b>Investments in Equity Instruments</b>					
Eimco Elecon Electricals Limited	10	510000	<b>51.00</b>	510000	51.00
Wizard Fincap Limited	10	249500	<b>24.95</b>	249500	24.95
<b>(ii) Other Investments</b>					
<b>(a) Investments in Property</b>					
Cost of building given on operating lease			<b>524.12</b>		527.62
Less : Accumulated Depreciation (Refer Note No 9 (a))			<b>60.93</b>		36.96
Net Block			<b>463.19</b>		490.66
<b>(b) Investments in Equity Shares Non Trade (Quoted)</b>					
Bank of Baroda	10	700	<b>0.60</b>	700	0.60
Bharti Airtel Limited	5	2655	<b>11.50</b>	2655	11.50
Colgate-Palmolive (I) Limited	1	500	<b>3.23</b>	500	3.23
GOL Offshore Limited	10	238	-	238	-
Grasim Industries Limited	10	1000	<b>10.84</b>	1000	10.84
Hindustan Unilever Limited	1	1500	<b>3.95</b>	1500	3.95
Infosys Limited	5	1856	<b>11.18</b>	1856	11.18
ITC Limited	1	3000	<b>3.50</b>	3000	3.50
Larsen & Toubro Limited (250 Bonus share received during the year)	2	750	<b>8.77</b>	500	8.77
Mahindra & Mahindra Limited	5	8800	<b>8.95</b>	8800	8.95
Reliance Industries Limited	10	5100	<b>18.10</b>	5100	18.10
Reliance Infrastructure Limited	10	390	<b>2.77</b>	390	2.77
Siemens Limited	2	294	<b>2.61</b>	294	2.61
State Bank of India	10	3500	<b>29.86</b>	3500	29.86
Tata Chemicals Limited	10	10000	<b>11.29</b>	10000	11.29
Tata Power Limited	1	50000	<b>14.10</b>	50000	14.10
Tata Steel Limited	10	11325	<b>33.29</b>	11325	33.29
Ultratech Cement Limited	10	571	-	571	-
<b>(c) Investments in Equity Shares Non Trade ( Unquoted )</b>					
Charotar Gas Sahakari Mandali			<b>0.03</b>		0.03
<b>(d) Investments in Bond Non Trade (Quoted)</b>					
	Face Value	No. of Bonds		No. of Bonds	
8.20% Power Finance Corporation Limited	1000	28479	<b>284.79</b>	28479	284.79
6.88% Power Finance Corporation Limited	1000	30000	<b>300.00</b>	30000	300.00
<b>Total ..</b>			<b>1,298.50</b>		<b>1,325.97</b>
<b>Aggregate Cost of Quoted Investments</b>			<b>759.36</b>		759.36
<b>Market Value of Quoted Investments</b>			<b>1,068.33</b>		1,051.35
<b>Aggregate Value of Unquoted Investments</b>			<b>539.14</b>		566.61

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

(₹ in lacs)

 As at 31<sup>st</sup> March

	No. of Shares / Units	31-03-2014	No. of Shares / Units	31-03-2013
<b>(B) Current Investment (lower of cost and fair value)</b>				
<b>Investments in Mutual Fund - Unquoted</b>				
Birla Sun Life FTP Series JG Growth*	7000000.000	<b>700.00</b>	-	-
Birla Sun Life Short Term Fund*	1869808.100	<b>217.97</b>	1768233.452	206.08
Birla Sun Life Dynamic Bond Fund	2634228.230	<b>269.59</b>	2443975.883	257.87
Birla Sun Life Floating Rate Long Term	71653.400	<b>71.67</b>	-	-
Birla Sun Life Floating Rate Short Term Plan	455744.100	<b>455.84</b>	-	-
Birla Sun Life Saving Fund	101537.800	<b>101.84</b>	605561.705	606.10
Birla Sun Life Short Term Opportunity Fund - Growth*	249432.300	<b>50.23</b>	-	-
HDFC Fixed Maturity Plan 371D Series -29 Growth*	4000000.000	<b>400.00</b>	-	-
HDFC Floating Rate	-	-	1980147.08	199.62
HDFC High Interest Short Term Fund	-	-	1364895.792	300.00
ICICI Prudential Dynamic Dividend	-	-	981112.816	100.19
ICICI Prudential Dynamic Bond Fund - Growth	1048498.600	<b>140.88</b>	-	-
ICICI Prudential Fixed Maturity Plan Series 71*	1000000.000	<b>100.00</b>	-	-
ICICI Prudential Liquid Super Institutional Plan	-	-	37830.297	37.86
Kotak Bond Scheme Plan A - Growth	-	-	295379.089	100.00
Kotak Floater Long Term	-	-	263669.772	26.58
Kotak Floater Short Term	-	-	6104.6324	61.75
Kotak Short Term Bond Fund	-	-	258472.441	26.20
Reliance Dynamic Bond Fund - Growth	619797.600	<b>100.00</b>	-	-
Reliance Fixed Horizon Fund - XXV Series 4 Growth*	2500000.000	<b>250.00</b>	-	-
Reliance Fixed Horizon Fund -XXV Series 8 Growth*	5000000.400	<b>500.00</b>	-	-
Reliance Fixed Horizon Fund -XXV-Series 9 Growth*	5974237.300	<b>597.42</b>	-	-
Reliance Fixed Horizon Fund-XXIV Series -16 Growth*	1000000.000	<b>100.00</b>	-	-
Reliance Floating Rate	-	-	10321581.218	1,040.71
Reliance Income Fund - Bonus	-	-	2230356.651	250.00
Reliance Liquid Fund	-	-	2095.93	31.71
Reliance Liquidity Fund	-	-	5041.775	50.44
Reliance Money Manager Fund - Growth*	26513.500	<b>450.00</b>	-	-
Reliance Short Term Fund - Growth	-	-	3878042.826	800.00
SBI Magnum Income Fund - Growth	509589.500	<b>151.79</b>	172980.916	50.10
SBI MICF Liquid Floater	-	-	9939.044	100.38
SBI Premier Liquid Fund - Growth	5361.362	<b>102.24</b>	5017.793	50.34
SBI Short Term Debt Fund - Growth	1083150.200	<b>150.00</b>	401528.586	51.91
SBI Debt Fund Series A 3 420 Days - Growth	574812.300	<b>57.48</b>	-	-
SBI Debt Fund Series A 14 380 Days - Growth	515507.300	<b>51.55</b>	-	-
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth*	500000.000	<b>50.00</b>	-	-
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth*	500000.000	<b>50.00</b>	-	-
Tata Fixed Maturity Fund - Series 46 Scheme B - Growth*	2000000.000	<b>200.00</b>	-	-
Tata Income Fund Plan A -Appreciation - Bonus	221449.100	<b>23.33</b>	569440.651	60.00
Tata Income Fund Plan A -Appreciation -Growth	115675.800	<b>40.55</b>	247436.824	85.60
Tata Short Term Bond Fund Plan A - Growth*	1951173.400	<b>400.00</b>	1951173.445	400.00
<b>Total...</b>		<b>5,782.38</b>		<b>4,893.44</b>
<b>Aggregate Value of Unquoted Investments</b>		<b>5,782.38</b>		<b>4,893.44</b>
<b>NAV of Investment in Mutual Funds</b>		<b>6,000.09</b>		<b>4,928.84</b>

Note :

\* The Company has on behalf of third party provided security to Bank by way of Lien on Investments made in Mutual Funds.

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

(₹ in lacs)

**11. LONG TERM LOANS AND ADVANCES :**

<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
[Unsecured Considered good]		
(a) Capital Advances	108.69	-
(b) Security Deposits	192.96	155.58
<b>Total ..</b>	<b><u>301.65</u></b>	<b><u>155.58</u></b>

**12. INVENTORIES :**

<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
(a) Raw materials	277.48	206.96
(b) Work-in-progress	350.92	1,245.94
(c) Finished Goods	51.44	287.14
(d) Stock in Trade	780.54	1,415.20
(e) Components	1,073.62	2,270.72
<b>Total ..</b>	<b><u>2,534.00</u></b>	<b><u>5,425.96</u></b>

**13. TRADE RECEIVABLES :**

<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
(i) Debts outstanding for a period exceeding six months from due date:		
(a) Unsecured considered good	222.82	246.44
(ii) Other Debts:		
(i) Unsecured considered good	9,349.09	4,576.47
<b>Total ..</b>	<b><u>9,571.91</u></b>	<b><u>4,822.91</u></b>

**14. CASH AND CASH EQUIVALENTS :**

<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
(a) Balances with banks		
In Current account	383.72	347.03
In Unpaid dividend account	12.51	12.37
(b) Cash on hand	0.10	0.10
<b>Total ..</b>	<b><u>396.33</u></b>	<b><u>359.50</u></b>

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

(₹ in lacs)

## 15. SHORT TERM LOANS AND ADVANCES :

As at 31 <sup>st</sup> March	2014	2013
(Unsecured considered good)		
(a) Others:		
Advances to Suppliers	81.35	58.05
Interest Receivable	10.70	10.97
Balance with Excise, Customs and Sales Tax Authorities	260.06	155.50
Advance Income Tax (Net of Provision)	419.04	362.21
Prepaid Expenses	71.69	63.23
<b>Total ..</b>	<b>842.84</b>	<b>649.96</b>

## 16. REVENUE FROM OPERATIONS :

For the Year Ended 31 <sup>st</sup> March	2014	2013
(a) Sale of Products ( Refer Note No.24.10 )		
Domestic Sales	19,221.40	17,017.92
Export Sales	1.71	19.57
	<b>19,223.11</b>	<b>17,037.49</b>
(b) Sale of Services	3.46	3.52
(c) Other Operating revenue		
Sale of Scrap	112.78	115.63
<b>Total ..</b>	<b>19,339.35</b>	<b>17,156.64</b>

## 17. OTHER INCOME :

For the Year Ended 31 <sup>st</sup> March	2014	2013
(a) Interest Income - Long Term Investments	43.79	24.14
- Current Investments	2.10	24.04
(b) Dividend Income - Long term Investments	7.54	7.69
- Current Investments	147.16	291.61
(c) Profit on sale of Investments - Long Term Investment	157.11	-
	<b>357.70</b>	<b>347.48</b>
(d) Other Non Operating Revenues		
Rent	68.69	36.97
Insurance Claim	-	0.16
Sales Tax Refund	1.72	0.49
Profit on sale of Fixed Assets	1.09	-
Duty Draw Back	-	0.55
Net Gain on Exchange Rate Fluctuations	-	7.97
Commission	10.50	-
Sundry credit balances written back	-	6.71
	<b>82.00</b>	<b>52.85</b>
<b>Total ..</b>	<b>439.70</b>	<b>400.33</b>



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

(₹ in lacs)

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

<b>For the Year Ended 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Opening Stock	2,477.68	2,073.65
Add : Purchases	4,586.96	6,945.56
	<u>7,064.64</u>	<u>9,019.21</u>
Less : Closing Stock	1,351.10	2,477.68
<b>Total ..</b>	<b><u><u>5,713.54</u></u></b>	<b><u><u>6,541.53</u></u></b>

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

<b>For the Year Ended 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>(a) Opening Stock</b>		
Finished Goods	287.14	51.28
Work in Progress	1,245.94	788.53
Stock-in-Trade	1,415.20	1,312.72
	<u>2,948.28</u>	<u>2,152.53</u>
<b>Less :</b>		
<b>(b) Closing Stock</b>		
Finished Goods	51.44	287.14
Work in Progress	350.92	1,245.94
Stock-in-Trade	780.54	1,415.20
	<u>1,182.90</u>	<u>2,948.28</u>
<b>Total ..</b>	<b><u><u>1,765.38</u></u></b>	<b><u><u>-795.75</u></u></b>

**20. EMPLOYEE BENEFITS EXPENSES :**

<b>For the Year Ended 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
(a) Salaries and Wages	915.99	907.52
(b) Contribution to provident and other funds	84.43	91.26
(c) Staff welfare expenses	47.60	43.08
<b>Total ..</b>	<b><u><u>1,048.02</u></u></b>	<b><u><u>1,041.86</u></u></b>

**21. RESEARCH AND DEVELOPMENT EXPENSES :**

<b>For the Year Ended 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
(a) Material for Prototyping	90.13	18.21
(b) Salaries and Wages, Contribution to PF and other funds and other related expenditure	167.15	133.91
(c) Travelling, Conveyance and other expenses	27.31	18.59
<b>Total ..</b>	<b><u><u>284.59</u></u></b>	<b><u><u>170.71</u></u></b>

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

(₹ in lacs)

## 22. FINANCE COSTS :

For the Year Ended 31 <sup>st</sup> March	2014	2013
(a) Interest Expenses	1.65	0.12
(b) Bank Charges	27.94	40.38
<b>Total..</b>	<b>29.59</b>	<b>40.50</b>

## 23. OTHER EXPENSES :

For the Year Ended 31 <sup>st</sup> March	2014	2013
Consumables	204.64	224.77
Power and Fuel (Net of Wind Turbine Generation )	18.63	20.84
Rent	102.44	88.11
<b>Repairs and Maintenance :</b>		
Buildings	80.86	123.86
Plant and Machinery	219.62	216.36
Computer	48.23	42.02
Others	26.58	26.95
	<b>375.29</b>	<b>409.19</b>
Insurance	30.82	34.53
Rates and Taxes	121.43	579.10
Excise Duty	156.02	48.56
Product Warranty	193.35	170.00
Freight	79.26	65.01
Compensation to Distributors	2,335.52	2,214.23
Advertisement and Sales Promotion	23.06	30.36
Computer Expense	1.85	3.71
Travelling and Conveyance	132.04	162.01
Software licence fees	73.25	68.82
Legal and Professional Fees	109.41	143.79
Directors' Sitting Fees	13.20	11.80
Commission to Non-Executive Directors	17.50	20.00
Auditors Remuneration (Refer Note No.24.9)	5.33	7.02
Lease Rent (Refer Note No.24.18)	4.20	4.33
LD charges	19.73	44.98
Loss on Sale of Assets	-	17.52
Works & Office Expenses	60.06	56.20
Miscellaneous Labour charges	187.11	168.97
E-mail & Internet Expenses	9.98	11.38
Garden Expenses	20.50	14.61
Loss Exchange Rate Fluctuations	12.91	-
Donation	66.28	73.00
Miscellaneous Expenses	56.89	66.54
<b>Total ..</b>	<b>4,430.70</b>	<b>4,759.38</b>

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**
**24.1 CONTINGENT LIABILITY AND COMMITMENT**
**(a) Contingent Liabilities not provided for:**

(₹ in lacs)

As at 31 <sup>st</sup> March	2014	2013
Guarantees issued by Banks	1457.58	1961.55
Guarantee given by the company on behalf of third party	3037.50	-
Income tax demands disputed by the Company	179.01	185.38
Sales tax demand disputed by the Company	22.38	57.86
Excise & Service tax demand disputed by the Company	584.77	842.46

**(b) Commitment:**

Estimated amount of contracts remaining to be executed on Capital Account is ₹ 509.73 Lacs (P.Y. ₹ 202.73 Lacs)

**24.2** The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

**(a) The principal actuarial assumption used in determining the Gratuity for the Company's plan is as under:**

Particulars	Gratuity (Funded)	
	2013-14	2012-13
Discount Rate	9.35%	8.00%
Rate of Increase in Compensation Levels	7.00%	7.00%
Rate of Return of plan assets	8.70%	8.70%
Employee Turnover	2%	2%

The following table summaries the components of net benefit expense recognized in the Statement of Profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plan. (₹ in lacs)

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

Particulars	2013-14	2012-13
Current service cost	15.05	14.57
Interest cost	25.46	23.14
Expected return on plan assets	(31.41)	(26.33)
Net actuarial (gain) / loss recognized in the year	(16.16)	3.32
Net benefit expense	(7.56)	14.70

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

(c) The amount recognised in the Balance Sheet is as follows: (₹ in lacs)

Particulars	2013-14	2012-13
Defined benefit obligation	308.12	318.26
Fair value of plan assets	359.10	361.01
	(50.98)	(42.75)
Less: Unrecognized past service cost	-	-
Liability / (Assets) recognized in the Balance sheet.	(50.98)	(42.75)

(d) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances there of are as follows: (₹ in lacs)

Particulars	2013-14	2012-13
Opening defined benefit obligation	318.26	272.21
Interest cost on benefit obligation	25.46	23.14
Current service cost	15.05	14.57
Benefits paid	(31.50)	(44.59)
Liabilities transferred from other companies*	-	46.82
Actuarial (gains)/losses on obligation	(19.15)	6.11
Closing defined benefit obligation	308.12	318.26

\* This includes liabilities transferred due to transfer of employees from other companies.

(e) Changes in the fair value of plan assets representing reconciliation of opening and closing balances there of are as follows: (₹ in lacs)

Particulars	2013-14	2012-13
Opening fair value of plan assets	361.02	309.77
Expected Return	31.41	26.33
Contribution by employer	0.67	19.90
Benefits paid	(31.50)	(44.59)
Assets transferred from other companies*	-	46.82
Actuarial Gains/( losses )	(2.50)	2.79
Closing fair value of plan assets	359.10	361.02

This amount includes transfer of employees from other companies

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

Particulars	2013-14	2012-13
Insured Managed Fund	100 %	100 %

**Note :** The funds are managed by LIC and LIC does not provide breakup of planned assets by investment type.

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

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

(₹ in lacs)

Gratuity Plan ( Funded )	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011	As at 31-03-2010
Defined benefit obligation	<b>308.12</b>	318.26	272.21	252.20	214.60
Fair Value of Plan assets	<b>359.10</b>	361.01	309.77	287.38	208.63
Surplus / ( deficit )	<b>50.98</b>	42.75	37.56	35.18	(5.97)
Experience adjustment on plan liabilities (gain)/loss	<b>0.89</b>	(1.35)	27.83	2.54	14.01
Experience adjustment on plan assets (gain)/loss	<b>(2.50)</b>	2.79	1.94	2.08	2.29

**24.3 SEGMENT REPORTING**

In terms of AS-17 on "Segment Reporting" the Company neither has more than one business segment nor more than one geographical segment requiring separate disclosure as there is no more distinguishable component or economic environment of an enterprise engaged in providing individual product or service or a group of related products or service and the same is not subjected to different risks and returns either of business or geographical segments.

**24.4 PROVISION FOR WARRANTY**

A provision of ₹ 193.35 Lacs (P.Y ₹ 170.00 Lacs) has been recognized for expected warranty claims at 1% on products sold during the current financial year. The warranty claims are for the period of 12 months and hence it is expected that the expenditure towards warranty will be incurred in the next financial year.

(₹ in lacs)

As on 01-04-13	Addition	Utilization	Additional / Excess	As on 31-03-14
170.00	193.35	265.28	(95.28)	<b>193.35</b>
(176.50)	(170.00)	(230.31)	(-53.81)	<b>(170.00)</b>

**Note :** Figures in brackets are for previous year.

**24.5 EARNINGS PER SHARE**

The numerator and the denominator used to calculate basic and diluted Earnings Per Share.

The Numerator and the Denominator used to calculate basic and diluted Earnings Per Share.	2013-14	2012-13
(a) Net Profit available to Equity Shareholders (₹ in Lacs)	<b>2016.55</b>	1513.53
(b) Weighted Average number of equity shares used as a denominator for calculating EPS (₹ in Lacs )	<b>57.68</b>	57.68
(c) Basic and Diluted Earnings Per Share (₹)	<b>34.96</b>	26.24
(d) Nominal Value of Equity Shares (₹)	<b>10.00</b>	10.00

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

## 24.6 DEFERRED TAX

The deferred tax assets and liabilities for the current year comprises of tax effect of the following timing differences.

(₹ in lacs)

Particulars	2013-14	2012-13
<b>DEFERRED TAX ASSETS :</b>		
(a) Provision for Leave encashment and Bonus	25.62	23.91
	25.62	23.91
<b>DEFERRED TAX LIABILITY :</b>		
(a) Excess of written down value as per books of accounts over Income Tax Written down value.	45.06	88.63
<b>NET DEFERRED TAX LIABILITY</b>	<b>19.44</b>	<b>64.72</b>

## 24.7 DERIVATIVE INSTRUMENTS

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

Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>Payable Against Import of Goods and Services</b>		
<u>Rupees in Lacs</u>	0.55	39.80
Euro	-	54,340.36
US Dollar	880.00	3,200.00
<b>Advance Payment to Supplier</b>		
<u>Rupees in Lacs</u>	43.45	3.66
Euro	35,357.93	5,043.03
US Dollar	22,557.60	-
<b>Advance Received from Customer</b>		
<u>Rupees in Lacs</u>	7.94	1.05
US Dollar	13,067.00	1,972.00

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

Related Party Disclosures as required by Accounting Standard (AS) 18 are given below:

**A) Name of the related parties and nature of relationships :****a) Associates and Joint Ventures**

- (i) Wizard Fin Cap Ltd. (Associates)
- (ii) Eimco Elecon Electricals Ltd. (Associates)
- (iii) Elecon Engineering Company Ltd. (Joint Venture)

**b) Individual having control / significant influence**

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

**c) Key management Personnel**

- (i) M. G. Rao

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

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

**e) Collaborators**

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



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

## 24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

For Year Ended 31 <sup>st</sup> March	2014	2013
<b>B) Nature of transactions :</b>		
<b>a) Purchase of Material / Finished Goods</b>		
(i) Elecon Engineering Co. Ltd.	650.34	894.68
(ii) Elecon EPC Projects Ltd.	-	2.48
(iv) Power Build Ltd.	-	0.99
(v) Speciality Woodpack Pvt. Ltd.	24.24	24.31
(vi) Eimco Elecon Electricals Ltd.	91.86	94.81
<b>b) Job work Income from other Co.</b>		
(i) Elecon Engineering Co. Ltd.	3.46	1.91
(ii) Elecon EPC Projects Ltd.	-	0.40
(iii) Power Build Ltd.	-	0.08
(iv) Eimco Elecon Electricals Ltd.	-	1.13
<b>c) Job work Expenses to other Co.</b>		
(i) Elecon Engineering Co. Ltd.	-	1.74
(ii) Elecon EPC Projects Ltd.	3.27	5.32
<b>d) Sale of Finished Goods / Consumables</b>		
(i) Elecon Engineering Co. Ltd.	18.34	46.75
(ii) Elecon EPC Projects Ltd.	0.63	-
(iii) Speciality Woodpack Pvt. Ltd.	0.98	1.44
(iv) Eimco Elecon Electricals Ltd.	6.70	0.63
(v) Sandvik Asia Pvt. Ltd. (Pune)	481.10	5.05
<b>e) Purchase of Fixed Assets</b>		
(i) Elecon EPC Projects Ltd.	-	5.23
(ii) Elecon Information Technology Ltd.	45.62	82.31
(iii) Eimco Elecon Electricals Ltd.	22.63	0.11
(iv) EMTICI Engineering Ltd.	-	1.16
(v) Power Build Ltd.	-	19.45
<b>f) Sale of Fixed Assets</b>		
(i) Elecon Engineering Co Ltd	-	106.82
<b>g) Expenses Charged to other Co.</b>		
(i) Elecon Engineering Co. Ltd.	16.81	0.06
(ii) Elecon EPC Projects Ltd.	27.7	27.45
<b>h) Expenses Charged by other Co.</b>		
(i) Elecon Engineering Co. Ltd.	73.78	68.27
(ii) Elecon EPC Projects Ltd.	22.62	49.22
(iii) Speciality Woodpack Pvt. Ltd.	17.21	16.46
(iv) Elecon Information Technology Ltd.	100.87	50.21
(v) Akaaish Mechatronics Ltd.	101.62	114.61
(vi) EMTICI Engineering Ltd.	56.28	38.64
(vii) Wizard Fincap Ltd.	14.83	15.76
(viii) Madhubhan Resort & Spa	2.74	4.80
<b>i) Sales Commission</b>		
(i) EMTICI Engineering Ltd.	2442.55	2206.69

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

(₹ in lacs)

<b>For Year Ended 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>j) Remuneration</b>		
(i) M. G. Rao	<b>69.90</b>	69.90
<b>k) Dividend Paid</b>		
(i) Tamrock Great Britain Holding Ltd.	<b>57.91</b>	57.91
(ii) Elecon Engineering Company Ltd.	<b>38.34</b>	38.34
(iii) EMTICI Engineering Company Ltd.	<b>32.73</b>	32.73
(iv) K. B. Investments Private Ltd.	<b>19.48</b>	19.48
(v) BIPRA Investments and Trusts Private Ltd.	<b>7.53</b>	7.53
(vi) Elecon Information Technology Ltd.	<b>5.90</b>	5.90
(vii) Devikishan Investments Private Ltd.	<b>4.84</b>	4.84
(viii) Prayas Engineering Ltd.	<b>1.50</b>	1.50
(ix) Akaaish Mechatronics Ltd.	<b>1.04</b>	1.04
(x) Power Build Ltd.	<b>0.64</b>	0.64
<b>l) Guarantees and Collaterals</b>		
(i) Elecon Engineering Company Ltd	<b>3037.50</b>	-
<b>C) Balance at year end :</b>		
<b>As at 31<sup>st</sup> March</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>(i) Outstanding Payables :</b>		
a) Associates and Joint Ventures :		
(i) Wizard FinCap Ltd. (Associate)	<b>0.61</b>	1.06
(ii) Eimco Elecon Electricals Ltd. (Associate)	<b>33.50</b>	10.51
(iii) Elecon Engineering Company Ltd. (Joint Venture)	<b>171.61</b>	106.19
b) Key management Personnel		
(i) M. G. Rao	<b>5.00</b>	5.00
c) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :		
(i) EMTICI Engineering Ltd.	<b>594.84</b>	335.36
(ii) Elecon Information Technology Ltd.	<b>0.31</b>	1.73
(iii) Madhubhan Prayas Resorts Ltd.	-	0.0
(iv) Akkaish Mechatronics Ltd.	<b>0.14</b>	8.60
(v) Speciality Woodpack Pvt. Ltd.	<b>9.24</b>	4.30
(vi) Elecon EPC Projects Ltd.	<b>(9.73)</b>	3.11

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

(₹ in lacs)

<b>As at 31<sup>st</sup> March</b>	<b>2014</b>	<b>2013</b>
<b>(ii) Outstanding Receivables :</b>		
a) Associates and Joint Ventures :		
(i) Eimco Elecon Electricals Ltd. (Associate)	<b>2.33</b>	1.03
(ii) Elecon Engineering Company Ltd. (Joint Venture)	<b>14.04</b>	1.96
b) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence :		
(i) Elecon EPC Projects Ltd.	<b>2.95</b>	9.15
(ii) Speciality Woodpack Pvt. Ltd.	<b>0.28</b>	0.38
<b>(iii) Investment :</b>		
a) Associates		
(i) Wizard FinCap Limited	<b>24.95</b>	24.95
(ii) Eimco Elecon Electricals Limited	<b>51.00</b>	51.00

**24.9 AUDITOR'S FEES AND EXPENSES INCLUDES REMUNERATION**

(₹ in lacs)

<b>For the Year</b>	<b>2013-14</b>	<b>2012-13</b>
	₹	₹
(a) As Auditors	<b>1.50</b>	1.50
(b) For Taxation matter	<b>0.60</b>	2.05
(c) For tax audit fees	<b>0.45</b>	0.45
(d) For other services	<b>1.13</b>	1.51
(e) For reimbursement of expenses	<b>1.30</b>	1.50
<b>Total</b>	<b>4.98</b>	7.01

**24.10 TURNOVER**

(₹ in lacs)

<b>Particulars</b>	<b>2013-14</b>		<b>2012-13</b>	
	Nos.	Value (₹)	Nos.	Value (₹)
Tunneling Loaders with various attachments other than Road Headers	<b>205</b>	<b>7805.84</b>	217	6207.11
Mining Machinery viz., Off-The Highway Dumpers of various types including Articulated profile	-	-	-	-
Air Motors	<b>108*</b>	<b>38.75</b>	136*	56.43
Spares for above.	-	<b>10464.85</b>	-	10077.36
Hydraulic Cylinders	<b>10**</b>	-	10**	4.33
Construction Equipment	<b>34</b>	<b>529.38</b>	46	692.26
Blast hole & Water well drilling rigs	<b>4</b>	<b>384.29</b>	-	-
<b>TOTAL</b>		<b>19223.11</b>		17037.49

\*Includes 55 (29) numbers for captive consumption.

\*\*Includes 10 (1) number for captive consumption.

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**
**24.11 CONSUMPTION OF RAW MATERIAL, SPARES & COMPONENTS**

(₹ in lacs)

Name of Material	2013-14	2012-13
	(₹)	(₹)
Casting	<b>371.38</b>	583.87
Forgings	<b>17.17</b>	16.35
Bearings	<b>98.51</b>	99.16
Round Bars and Plates	<b>289.76</b>	442.26
Other Raw Materials, Spares & Components	<b>4936.72</b>	5399.89
<b>TOTAL</b>	<b>5713.54</b>	6541.53

**24.12 VALUE OF RAW MATERIALS, SPARES AND COMPONENTS CONSUMED**

(₹ in lacs)

For the Year	2013-14		2012-13	
	(₹)	%	(₹)	%
Imported	<b>2887.33</b>	<b>27</b>	2871.53	32
Indigenous	<b>7783.79</b>	<b>73</b>	6133.90	68
<b>TOTAL</b>	<b>10671.21</b>	<b>100</b>	9005.43	100

**24.13 VALUE OF STORES CONSUMED**

(₹ in lacs)

For the Year	2013-14		2012-13	
	(₹)	%	(₹)	%
Imported	-	-	-	-
Indigenous	<b>204.64</b>	<b>100</b>	224.77	100
<b>TOTAL</b>	<b>204.64</b>	<b>100</b>	224.77	100

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

## 24.14 CIF VALUE OF IMPORTS IN RESPECT OF

(₹ in lacs)

For the Year	2013-14 (₹)	2012-13 (₹)
Components and Spares	1788.41	2922.21

## 24.15 EARNING IN FOREIGN EXCHANGE ON ACCOUNT OF

(₹ in lacs)

For the Year	2013-14 (₹)	2012-13 (₹)
FOB value of Sales	1.71	19.57

## 24.16 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

For the Year	2013-14 (₹)	2012-13 (₹)
Travelling	5.90	2.46
Others	3.80	1.44

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

(₹ in lacs)

For the Year	2013-14 (₹)	2012-13 (₹)
Number of Non-resident shareholder	1	1
Number of shares held on which dividend was due	14,47,875	14,47,875
Year to which dividend relates	2012-13	2011-12
Amount remitted (₹ in lacs)	57.92	57.92

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)****24.18 INFORMATION REGARDING OPERATING LEASE****(a) In case of assets taken on lease** (₹ in lacs)

For the Year	2013-14 (₹)	2012-13 (₹)
Lease Payments During the Year	<b>106.64</b>	89.13
<b>Minimum Lease Payments</b>		
Not later than one year	<b>98.63</b>	112.58
Later than one year not later than five years	<b>81.75</b>	177.46

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

For the Year	2013-14 (₹)	2012-13 (₹)
Lease Receipt During the Year	<b>45.46</b>	18.00
<b>Minimum Lease Receipt</b>		
Not later than one year	<b>45.60</b>	43.76
Later than one year not later than five years	<b>122.71</b>	139.28

**24.19** In view of reclassification certain figures of current year are not strictly comparable with those of previous year.

As per our report of even date attached

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

**UMESH H. TALATI**  
Partner  
Membership No.34834

Mumbai : 24<sup>th</sup> April, 2014

**Nilesh D. Shelat**  
(Company Secretary & CFO)

For and on behalf of the Board of Directors

**Mr. P. B. Patel**

Vice Chairman

**Mr. M. G. Rao**

Wholetime Director

Mumbai : 24<sup>th</sup> April, 2014

## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L29199GJ1974PLC002574  
Name of the Company : EIMCO ELECON (INDIA) LIMITED  
Registered Office : Vallabh Vidyanagar, Anand, Gujarat, Pin 388 120.

Name of the members (s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint.

- Name :  
Address :  
Email ID: Signature :..... or falling him
- Name :  
Address :  
Email ID: Signature :..... or falling him
- Name :  
Address :  
Email ID: Signature :..... or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the AGM of the Company, to be held on the Tuesday, 5<sup>th</sup> August, 2014 at 2.30 p.m. at Vallabh Vidyanagar at any adjournment thereof in respect of such resolution as is indicated below:

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

### EIMCO ELECON (INDIA) LIMITED

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

CIN : L29199GJ1974PLC002574

### ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D.P. ID		L.F. No.	
Client ID		No. of Shares held	

I/We hereby record my / our presence at the Annual General Meeting of the Company held on the Tuesday, 5<sup>th</sup> August, 2014 at 2.30 p.m. at Vallabh Vidyanagar.

Name of the Shareholder \_\_\_\_\_  
(in capital letters) (in capital letters)

\_\_\_\_\_  
Signature

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

EVSN - 140617005.



**BOOK - POST**

**IF UNDELIVERED PLEASE RETURN TO :**

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