



Eim/Sec/BSE/
14th July 2015

FAX NO. 022-2723719 / 2722037

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
25th Floor
Dalal Street
Bombay - 400 001

Attn : Mr. Robert A.Y. (DCS – CRD)

Company Code 523708

Sub : Copy of Annual Report for the year ended 31-3-2015

Dear Sirs,

Pursuant to Clause 31, we are submitting herewith Annual Report for the year ended 31-3-2015, alongwith Notice of AGM, Balance Sheet, Profit & Loss A/c & Cash Flow Statement and Corporate Governance alongwith other required information printed therein.

As per the new guidelines, Form-A duly signed by all the concerned officials and Audiots of the company is also sent herewith.

Please acknowledge and take it on record.

Thanking you,

Yours faithfully,
For EIMCO ELECON (INDIA) LTD.,

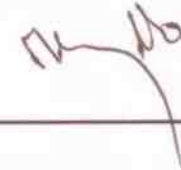


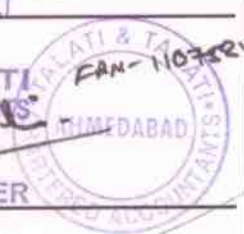
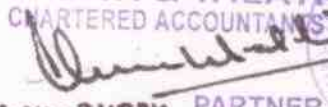

Nilesh D. Shelat
Company Secretary

Encl :



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 | 31-03-2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Nil |
| 5. | Signed by |  |
| | Wholetime Director | |
| | CFO |  |
| | Auditor of the Company | <p align="center">    M.No-34834 PARTNER </p> |
| | Audit Committee Chairman |  |



EIMCO ELECON (INDIA) LIMITED

**ANNUAL REPORT
2014-2015**



BOARD OF DIRECTORS

| | | |
|-------------------------|---|--------------------|
| Mr. P. M. Patel | - | Chairman |
| Mr. P. C. Amin | } | - Directors |
| Mr. H. S. Parikh | | |
| Mr. Nirmal Bhogilal | | |
| Mr. Nalin M. Shah | | |
| Mrs. Manjuladevi Shroff | | |
| Mr. M. G. Rao | - | Wholetime Director |

COMPANY SECRETARY & CFO

Mr. Nilesh D. Shelat

AUDITORS

Messrs Talati & Talati
Chartered Accountants
Ahmedabad

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 41st Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be held on THURSDAY, the 13th August, 2015 at 04.30 P.M. at the Registered Office of the Company at Vallabh Vidyanagar 388 120, Gujarat State to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2015 and the reports of the Board of Directors & Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. P. M. Patel (DIN 00012138) who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of statutory Auditors.

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Talati & Talati, Chartered Accountants, Ahmedabad having ICAI Firm Registration No.110758W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby reappointed for period of two (2) years as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Listing Agreement and Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs.Manjuladevi Shroff (holding DIN 00297159) who was appointed by Board of Directors as Additional Director Pursuant to Section 161 of the Act, and who holds office as such upto the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her 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 from the date of this Annual General Meeting and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

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 Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment 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, Wholtime Director with effect from 1st April, 2015 as set out under item No.6 of the Explanatory Statement annexed to this Notice.”

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year

ending 31st March 2016 to Messrs. Y. S. Thakar & Co., Cost Accountants, having Firm Registration No.000318 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 31st March 2016, amounting to ₹32,000/- (Rupees thirty two thousand) plus Taxes as applicable and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

8. 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 the revised Clause 49(vii) of the Listing Agreement with the Stock Exchanges necessary consent of the Company be and is hereby accorded to the Board of Directors to ratify/approve all existing contracts/arrangement/agreements entered into the following transactions, contracts & arrangement with Elecon Engineering Company Ltd., a related party within the meaning of the aforesaid clause, the value of which either singly or all taken together may exceed ten percent of the annual turnover of the Company as per audited financial statements of FY 2014-15, having the following details and as detailed in the Explanatory Statement annexed hereto:

| Description of contract | Total cumulative contract value with Related Party |
|---|--|
| Purchase and sale of goods, assets, job work and purchase of industrial plot | Not exceeding ₹ 20.50 crores |
| Providing securities and giving corporate guarantee to Axis Bank in respect of loan sanctioned to Elecon Engineering Co. Ltd. | Not exceeding ₹ 69.74 crores |

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual if any, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to above Resolution.”

By order of the Board of Directors

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

Date : 1st May, 2015

Nilesh D. Shelat
Company Secretary

NOTES :

- A. **The relative Explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 8 of the accompanying Notice are annexed hereto.**
- B. 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 a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company.**
- C. The Register of members & Share transfer Books of the Company will be closed from 05-08-2015 to 13-08-2015 (both days inclusive).
- D. The payment of dividend on equity shares as recommended by the directors for the year ended 31st March, 2015 when declared at the meeting will be paid:
1. To those members whose names appear in the Register of Members of the Company on 04-08-2015.
 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 04-08-2015.
- E. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on 17-08-2015.
- F. The members desiring to have any information on accounts are requested to write to the Company Secretary atleast one week in advance of the meeting to enable the Company to keep the information ready.
- G. 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.
- H. 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.
- I. 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.
- J. 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 to gether 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.



K. 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.

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 April 1, 2014. | 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 March 31, 2015. | 24 | 1450 |

By order of the Board of Directors

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

Date : 1st May, 2015

Nilesh D. Shelat
Company Secretary

The instructions and other information relating to Remote E-Voting are as under:

- (i) The voting period begins on 10-08-2015 at 09.00 a.m. and ends on 12-08-2015 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07-08-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|--|
| PAN Number | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Physical Members who have not updated their PAN with the Company are requested to use the lowest certificate number in the PAN field. In case the certificate number is less than 10 digits enter the applicable number of 0's before the number. Eg. If your certificate number is 1000 then enter 0000001000 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member ID / Folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant (EIMCO ELECON (INDIA) LTD.) on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF REMOTE E-VOTING PERIOD:

1. The e-voting period commences on 10-08-2015 (09.00 a.m.) and ends on 12-08-2015 (05.00 p.m.). During this period Shareholders of the Company holding shares either in physical form

or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholder the Shareholder shall not be allowed to change it subsequently.

The scrutinizer shall, on conclusion of the e-voting, unblock the votes in the presence of at least 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 and the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

2. The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company.
3. Mr. Dinesh Bhimani, Practising Secretary (Membership No.ACS:12192;CP No;6628) has been appointed as the Scrutinizer to scrutinize the e-voting process.
4. Facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
5. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. Voting rights be reckoned on the paid up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding)as on the cut-off date i.e. 7th August, 2015.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013.**Item No.5**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder and Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Company had, appointed Mrs. Manjuladevi Shroff (DIN 00297159) as an Additional Director (Independent Director) w.e.f. 2nd February, 2015. In terms of Section 149, 152 and 161 of the Act, read with the relevant Rules, she holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Manjuladevi Shroff as an Independent Director of the Company.

The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Mrs. Manjuladevi Shroff as an Independent Director as per her letter of appointment for a period of five years from the ensuing Annual General Meeting.

Mrs. Manjuladevi Shroff has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director and she is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 her appointment as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of the appointment of Mrs. Manjuladevi Shroff as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays and on the website of the Company.

She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Except Mrs. Manjuladevi Shroff, 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. 5.

A brief profile of Mrs. Manjuladevi Shroff is attached to the notice.

This Statement may also be regarded as a disclosure

under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6

Mr. M. G. Rao was appointed as Wholetime Director of the Company for a period of 5 years 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.

As per the existing terms and conditions of remuneration, Mr. M. G. Rao is a member of Superannuation Scheme of the Company and accordingly 15% of his basic annual salary is contributed to Superannuation Scheme of the Company. The Wholetime Director has opted to withdraw from the Superannuation Scheme and accordingly on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 1st May, 2015 has decided to pay him Superannuation allowance at the rate of ₹ 30,000/- p.m. with effect from 1st April, 2015 and he will cease to be a member of Superannuation Scheme from the said date. There is no change in other terms and conditions of remuneration payable to him.

Except Mr. M. G. Rao, 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.

Item No.7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as per the following details:

| Sr. No. | Name of Cost Auditor | Industry | Audit Fees (₹) |
|---------|----------------------|-------------|---|
| 1. | Y. S. Thakar & Co. | Engineering | ₹32,000/- Plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual. |

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.

Item No. 8

Pursuant to Clause 49 (vii) of the Listing Agreement, approval of the Shareholders through Special Resolution is required for all material Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered material if the transaction / transactions to be entered into individually or taken



together with previous transactions during a financial year exceeds 10% of the annual turnover of the Company as per the last audited financial statement of the Company.

Pursuant to provisions of revised clause 49 of the Listing Agreement, the above referred contracts/transactions/arrangement are material in nature as it exceeds 10% of the turnover of the Company and requires the approval of shareholders who are not considered to be related for this Resolution.

All transactions as mentioned above are as per related party policy and at arms lengths.

It may be brought to attention of Shareholders that one transaction of providing security of Mutual Fund of

₹ 42 crores and giving corporate guarantee to Axis Bank for credit facility to Elecon Engineering Co. Ltd. Elecon Engg. Co. Ltd is confident to repay the loan and release the securities of the Company in the current financial year.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company, if any and to the extent of their memberships and/ or directorships in the associates companies, if any.

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting.**1. Mr. P. M. Patel**

The Board had appointed Mr. P. M. Patel as a Director of the company with effect from 11-1-1996, liable to retire by rotation. Mr. P. M. Patel 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. M. Patel is MBA and 68 years of Age. His other Directorships and Committee Memberships of other Companies are as under:

| Company | Position | Committee Memberships of Audit and Stakeholders' Relationship Committee in Public Companies | Chairman/Member |
|-----------------------------|-------------------|---|------------------|
| ABC Bearings Ltd. | Managing Director | Stakeholders' Relationship Committee | Member |
| Elecon Engineering Co. Ltd. | Director | Audit Committee Stakeholders' Relationship Committee | Member Member |
| Elecon EPC Projects Ltd. | Director | Nil | Nil |
| Emtici Engineering Ltd. | Director | Nil | Nil |

2. Mrs. Manjuladevi Shroff

Mrs. Manjuladevi Shroff was appointed as an Independent Director with effect from 2nd February, 2015. She is postgraduate from York University and executive alumni from London School of Economics. She is also graduate of Management Education Programme IIM, Ahmedabad. Her other Directorships and Committee Memberships of other Companies are as under:

| Company | Position | Committee Memberships of Audit and Stakeholders' Relationship Committee in Public Companies | Chairman/Member |
|--------------------------|----------|---|-----------------|
| E-Infochips Ltd. | Director | Nil | Nil |
| Gujarat Gas Company Ltd. | Director | Nil | Nil |
| Odisha Television Ltd. | Director | Nil | Nil |
| Surangi Services Ltd. | Director | Nil | Nil |

DIRECTORS' REPORT

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

The Directors take pleasure in presenting the 41st Annual Report together with the audited financial statements for the year ended 31st March, 2015. The Management Discussion and Analysis has also been incorporated in this report.

1. HIGHLIGHTS OF PERFORMANCE

Total revenue for the year increased to ₹ 201.85 crores as compared to ₹ 197.79 crores in the previous year.

Profit before tax for the year was ₹ 30.08 crores as compared to ₹ 28.03 crores in the previous year.

Profit after tax for the year was ₹ 21.51 crores as compared to ₹ 20.16 crores in the previous year.

The Company supplied and installed on trial basis Chair Lift Man Riding System in one of the Coal mine of Coal India Ltd. This system is working satisfactory since installation. This is the Longest Chair Lift Man Riding System in India. We also received one order from M/S. Tata Steel Ltd. for supply and installation of Chair Lift Man Riding System.

2. FINANCIAL RESULTS

(₹ in Lacs)

| | 31-03-2015 | 31-03-2014 |
|---|----------------|------------|
| | (₹) | (₹) |
| Profit before Tax | 3008.15 | 2803.61 |
| Less: Provision for Taxation | 856.30 | 787.06 |
| PROFIT AFTER TAX | 2151.85 | 2016.55 |
| Add: Balance brought forward from last year | 306.65 | 360.03 |
| | 2458.50 | 2376.58 |
| APPROPRIATED AS | | |
| Proposed Dividend | 288.42 | 230.74 |
| Tax on Distributed Profit | 59.05 | 39.21 |
| Transfer to General Reserve | 1700.00 | 1800.00 |
| Balance Carried Forward | 411.03 | 306.63 |
| Total | 2458.50 | 2376.58 |

3. DIVIDEND

Your directors recommend for your consideration a dividend of ₹ 5 /- (previous year ₹ 4/-) per share of ₹ 10/- each for the year ended 31st March, 2015.

4. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Company has no subsidiary and Joint venture companies.

Associated Companies :

Eimco Elecon Electricals Limited

Company holds 47.62% of Equity Shares of Eimco Elecon Electricals Ltd. The profit after Tax for the year ended 31st March, 2015 was ₹ 205.50 Lacs as against ₹ 137.27 Lacs for the year ended 31st March, 2014.

Wizard Fincap Limited

Company holds 24.95% of Equity Shares of Wizard Fincap Ltd. The profit after Tax for the year ended 31st March, 2015 was ₹ 5.78 Lacs as against loss of ₹ 3.34 Lacs for the year ended 31st March, 2014.

5. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 5.76 crores. During the year under review, the Company has not issued shares with differential voting nor granted stock options nor sweat equity.

6. FINANCE

Your Company continue to be debt free. The Company continues to focus on judicious management of its working capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring. The whole of the properties of the Company have been suitably insured.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

8. FIXED DEPOSITS

The Company has not accepted deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

9. DIRECTORS

Mr. P. M. Patel retires by rotation and, being eligible, offers himself for reappointment.

Mrs. Manjuladevi Shroff was appointed as Additional Director w.e.f. 2nd February 2015 and would hold office upto forthcoming Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, an Independent Director shall hold office for a term of five consecutive years and not be liable to retire by rotation.

Accordingly Mrs. Manjuladevi Shroff shall be appointed as an Independent Director to hold office for a term of five consecutive years from the date of ensuing Annual General Meeting of the Company and shall not be liable to retire by rotation.

Members' approval for her appointment as an Independent Director, under Section 149 & 152 of the Companies Act, 2013 has been sought in the Notice convening Annual General Meeting of the Company.

During the year, Mr. P. B. Patel and Mr. Vihang Virkar resigned from Board of Directors of the Company. Your Directors place on record their sincere appreciation for the valuable contribution made by them.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

None of the Director of your Company is disqualified as per the provisions. of section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

10.1 Audit Committee:

The Board has constituted Audit Committee pursuant to the provisions of Sections 177(1) of the Companies Act, 2013. The Composition of Audit Committee is as under:

Mr. Nalin Shah (Chairman)
 Mr. H. S. Parikh (Member)
 Mr. Nirmal Bhogilal (Member)
 Mr. P. M. Patel (Member)
 Mr. P. C. Amin (Member)

The recommendations of the Audit Committee were accepted by the Board of Directors of the Company from time to time.

10.2 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 (The Companies (Accounts) Rules, 2014 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

10.3 Remuneration policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

10.4 Meetings

During the year five Board Meetings and five Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

1. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that such accounting policies as mentioned in note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of

the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the annual financial statements have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
6. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

12. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the Company's business.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature and in the ordinary course of the Company's business.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken project in the area of Education. This project is in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as Annexure "A".

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

15. 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 "G" to this Report.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations.

17. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company.

18. 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 'B' to this Report along with the Auditors' Certificate on its compliance by the Company.

19. 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 The Companies (Appointment and Remuneration of of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure 'C' to the Directors' Report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars required to be disclosed in this report pursuant to the provision of The Companies (Accounts) Rules, 2014 are given in Annexure 'D' forming part of this report.

21. AUDITORS

The Company's Auditors, Messrs Talati & Talati, Chartered Accountants, who retires at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. They

will hold office for two years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 43rd Annual General Meeting. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

22. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Y. S. Thakar & Co. to audit the Cost accounts of the Company for the financial year ending March 31, 2016 on a remuneration of ₹ 32,000/- Plus Taxes as applicable and out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Y. S. Thakar & Co., the Cost Auditors is included at Item No. 7 of the Notice convening the Annual General Meeting.

23. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs D. G. Bhimani & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure 'E'".

24. EXTRACT OF ANNUAL RETURN

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

25. RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been

entrusted with responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework. The Company monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15 :

| | |
|--------------------------------|--------|
| No. of complaints received | : Nil |
| No. of complaints disposed off | : N.A. |

27. 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. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 1st May, 2015

**ANNEXURE - 'A' TO BOARD'S REPORT - ITEM NO.13****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

CSR Policy is stated herein below:

Weblink:

<http://www.eimcoelecon.in/Policy/CSR policy>

2. **Composition of the CSR Committee:**

Mr. H. S. Parikh (Chairman-Independent Director)

Mr. P. M. Patel

Mr. P. C. Amin

3. Average net profit of the Company for last three Financial Years ₹ 21.61 crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 43.23 lacs
5. Details of CSR spend for the financial year:
- a. Total amount spent for the financial year: ₹ 43.23 lacs
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | Projects / Activities | Sector | Locations | Amt. Outlay (Budget) – Project/Programme wise | Amt. spent on projects or programme Sub Heads:- | Cumulative Expenditure Upto reporting period | Amount spent: Direct or through implementing agency* |
|---------|--------------------------------|-----------|---|---|---|--|--|
| | | | | | 1) Direct Exp. | | |
| | | | | | ₹ Lacs | ₹ Lacs | ₹ Lacs |
| 1. | Women Institute of Engineering | Education | Vallabh Vidyanagar Dist : Anand State : Gujarat | - | 43.23 | 43.23 | 43.23 |

*Details of implementing agency - B. I. Patel Charitable Trust.

Our CSR responsibilities:

We hereby affirm that the CSR Policy, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

For and on behalf of the Board of Directors

H. S. Parikh
Director

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 1st May, 2015

Corporate Governance Report

ANNEXURE 'B' TO THE DIRECTORS' REPORT - ITEM NO.18

A. MANDATORY REQUIREMENTS

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.

Board of Directors (the Board)

Composition of the Board as on March 31, 2015

| Category | No. of Directors |
|-------------------------------|------------------|
| Independent Directors | 4 |
| Other Non Executive Directors | 2 |
| Wholtime Director | 1 |
| Total | 7 |

As required under Section 149(3) of the Companies Act, 2013, Mrs. Manjuladevi Shroff has been appointed as an Independent Director on the Board.

The brief profile of the Company's Board of Directors is as under:

Mr. P. M. Patel, Chairman

Mr. P. M. Patel was appointed as Director from 11th January, 1996. Mr. P. M. Patel is MBA and 68 years of age. He is associated with Bearing Industry. Mr. P. M. Patel is a member on the Audit, Nomination and Remuneration, Risk, and Corporate Social Responsibility Committees of the Board.

Mr. Nalin Shah, Independent Director

Mr. Nalin Shah was appointed as director from 8th May, 2012. Mr. Nalin Shah is a Chartered Accountant from England & Wales. Before joining the Board, he was partner in Deloitte Haskins & Sells. Mr. Nalin Shah is Chairman of Audit Committee.

Mr. Nirmal Bhogilal, Independent Director

Mr. Nirmal Bhogilal was appointed as Director with effect from 23rd September, 2011. Mr. Nirmal Bhogilal is B.Sc.(Engg.) Chemical Engg. (London University) A.C.G.I. He is Chairman and Managing Director of Batliboi Ltd since 1973. Mr. Nirmal Bhogilal is a Member in Audit and Nomination & Remuneration Committee.

Mr. H. S. Parikh, Independent Director

Mr. H. S. Parikh was appointed as Director with effect from 9th May, 1992. Mr. H. S. Parikh is practising Chartered Accountant. Mr. H. S. Parikh is a member in the Audit, Nomination & Remuneration, CSR and Stakeholders' Relationship Committees of the Board.

Mrs. Manjuladevi Shroff, Independent Director

Mrs. Manjuladevi Shroff was appointed as Director with effect from 2nd February, 2015.

She is postgraduate from York University and executive alumni from London School of Economics. She is post-graduate from Utkal University and is a Graduate of Management Education Programme IIM, Ahmedabad.

Mr. P. C. Amin, Non-Independent Director

Mr. P. C. Amin was appointed as Director from 25th October, 2007. He holds Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani. Mr. P. C. Amin is a member in CSR and Risk Management Committee.

Mr. M. G. Rao, Wholtime Director

Mr. M. G. Rao was appointed as Wholtime Director from 8th September, 2011. Mr. M. G. Rao is M.E. (Welding). He has more than 35 years of experience in various industries.

BOARD MEETINGS AND PROCEDURES

- (A) Scheduling and selection of Agenda items for Board Meetings
- i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.
 - ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the approval of Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.
 - iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.
 - iv. As per convenience of the Members of the Board, the Board Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand, Gujarat or at Mumbai.
 - v. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide inputs to the items discussed by the Board as and when required.

- (B) Recording minutes of proceedings at the Board Meeting
A minute of the proceedings of each Board Meeting is recorded and the same is read in the next Board Meeting. The minutes of the proceedings of the meetings are entered in the minutes book and the same are signed by the Chairman as prescribed in the Companies Act, 2013
- (C) Compliance
The Compliance Officer while preparing the agenda notes

is responsible for and is required to ensure adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 1956, Companies Act, 2013, SEBI Guidelines, Listing Agreements, and other statutory requirements pertaining to capital market. The Board of Directors reviews a quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

During the year 2014-2015, five (5) Board Meetings were held i.e. on
24th April 2014

5th August 2014

3rd November 2014

10th December 2014

2nd February 2015

| Sr. No. | Name of the Director | Category of Directorship | No. of Board Meetings attended out of 5 held | Attendance at AGM held on 5 th August, 14 | 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 (upto 9 th Dec.2014) | NED (P) | 3 | Yes | 9 | Nil | Nil |
| 2. | Mr. P. M. Patel | NED (P) | 5 | Yes | 4 | 3 | Nil |
| 3. | Mr. P. C. Amin | NED (P) | 4 | Yes | 9 | 1 | Nil |
| 4. | Mr. Vihang Virkar (upto 29 th January 2015) | NED (I) | 4 | Yes | Nil | Nil | Nil |
| 5. | Mr. H. S. Parikh | NED(I) | 5 | Yes | 3 | 5 | Nil |
| 6. | Mr. Nalin Shah | NED(I) | 5 | Yes | 7 | 4 | 3 |
| 7. | Mr. Nirmal Bhogilal | NED(I) | 4 | Yes | 1 | 1 | Nil |
| 8. | Mr. M. G. Rao | WTD | 4 | Yes | 1 | Nil | Nil |
| 9. | Mrs. Manjuladevi Shroff (from 2 nd February 2015) | NED(I) | 0 | No | 4 | Nil | Nil |

*Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Clause 49 of the Listing Agreement .

NED (P) : Non Executive Director (Promoter)

NED (I) : Non Executive Director (Independent)

WTD : Wholetime 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. Nalin Shah | Nil |
| Mr. H. S. Parikh | 1300 Shares | Mr. Nirmal Bhogilal | Nil |
| Mr. P. C. Amin | 1275 Shares | Mrs. Manjuladevi Shroff | Nil |

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 (upto 2 nd February, 2015) | Member | NED-P |
| Mr. Nirmal Bhogilal | Member | NED-I |
| Mr. Vihang Virkar (upto 29 th January, 2015) | Member | NED-I |

The 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 | | | | |
|---------------------|---|-----------------------------|-------------------------------|--------------------------------|--------------------------|
| | 24 th April 2014 | 5 th August 2014 | 3 rd November 2014 | 10 th December 2014 | 2 nd Feb 2015 |
| Mr. Nalin Shah | Yes | Yes | Yes | Yes | Yes |
| Mr. P. M. Patel | Yes | Yes | Yes | Yes | Yes |
| Mr. Nirmal Bhogilal | Yes | Yes | No | Yes | Yes |
| Mr. H. S. Parikh | Yes | Yes | Yes | Yes | Yes |
| Mr. P. C. Amin | Yes | Yes | Yes | No | Yes |
| Mr. Vihang Virkar | Yes | Yes | Yes | Yes | No |

Nomination & Remuneration Committee

The composition of the Nomination & Remuneration Committee is as under :

| | | |
|---|----------|-------|
| Mr. H. S. Parikh | Chairman | NED-I |
| Mr. Vihang Virkar (upto 29 th January, 2015) | Member | NED-I |
| Mr. P. M. Patel | Member | NED-P |
| Mr. Nirmal Bhogilal (from 2 nd Feb-2015) | Member | NED-I |

Meetings and attendance during the year :

| Members | 24 th April 2014 | 2 nd February 2015 |
|---|-----------------------------|-------------------------------|
| Mr. H. S. Parikh | Yes | Yes |
| Mr. Vihang Virkar | Yes | No |
| Mr. P. M. Patel | Yes | Yes |
| Mr. Nirmal Bhogilal (from 2 nd Feb-2015) | No | Yes |



The details of remuneration paid to the Wholetime Director is as under :

| Name | Salary (₹) | Perquisites & Retirement benefits | Commission Payable | Total (₹) | Period of contract |
|-------------------------------------|--|--|--------------------|-----------|-------------------------|
| Mr. M. G. Rao Wholetime Director | 4,78,500 p.m. + 15,00,000 Bonus p.a. (Maximum) | Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013. | Nil | 84,69,666 | 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 | 60,000 | 20,000 | 2,50,000 | 3,30,000 |
| Mr. P. M. Patel | 1,00,000 | 1,32,500 | 2,50,000 | 4,82,500 |
| Mr. H. S. Parikh | 1,00,000 | 1,52,500 | 2,50,000 | 5,02,500 |
| Mr. P. C. Amin | 80,000 | 85,000 | 2,50,000 | 4,15,000 |
| Mr. Vihang Virkar | 80,000 | 1,00,000 | 2,50,000 | 4,30,000 |
| Mr. Nalin Shah | 1,00,000 | 1,00,000 | 2,50,000 | 4,50,000 |
| Mr. Nirmal Bhogilal | 80,000 | 87,500 | 2,50,000 | 4,17,500 |
| Mrs. Manjuladevi Shroff | Nil | Nil | Nil | Nil |

Stakeholders' Relationship Committee.

Stakeholders Relationship Committee consists of the following Directors. :

| | | |
|--|--------------------------------|--|
| Mr. H. S. Parikh | Chairman | Non-Executive and Independent Director |
| Mr. P. B. Patel (upto 9 th Dec. 2014) | Member | NED-P |
| Mr. P. M. Patel (from 2 nd Feb. 2015) | Member | NED-P |
| Mr. N. D. Shelat | Secretary & Compliance Officer | Company Secretary |

| Members | Attendance at Committee held on 24 th April 2014 |
|------------------|---|
| Mr. H. S. Parikh | Yes |
| Mr. P. B. Patel | Yes |
| Mr. P. M. Patel | No |
| Mr. N. D. Shelat | Yes |

| | | |
|------|---|-----|
| i. | Number of Shareholders' complaints received so far | Nil |
| ii. | Number of complaints not solved to the satisfaction of the shareholders | Nil |
| iii. | Number of pending complaints | Nil |

Corporate Social Responsibility (CSR) Committee

The composition of the Corporate Social Responsibility Committee and the details of Members' participation at the meeting are as under:

| Name | | | Attendance at 2 nd Feb. 2015 Meeting |
|----------------------------------|----------|-------|--|
| Mr. H. S. Parikh | Chairman | NED-I | YES |
| Mr. P. M. Patel (from 2-2-15) | Member | NED-P | YES |
| Mr. P. C. Amin | Member | NED-P | YES |
| Mr. P. B. Patel (upto 9-12-2014) | Member | NED-P | No |

Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the organization. The composition of the Risk Committee is as under:

| | | |
|------------------|----------|--------------------|
| Mr. P. M. Patel | Chairman | NED-P |
| Mr. P. C. Amin | Member | NED-P |
| Mr. M. G. Rao | Member | Wholetime Director |
| Mr. Vijay Singh | Member | Executive |
| Mr. N. D. Shelat | Member | Executive |

Independent Directors' Meeting

During the year under review, the Independent Directors met on February 2, 2015, inter alia, to discuss:

Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.

Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms Length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

DISCLOSURES**Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on oracle –ERP and has a strong monitoring and reporting process resulting in financial discipline and accountability.

CODE OF CONDUCT**i) For prevention of Insider Trading**

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for adherence to "Code for Prevention of Insider Trading".

ii) For Board of Directors (including Independent Directors) and Senior Management

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The code of conduct is posted on the website of the Company <http://eimcoelecon.in>. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2015.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a 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.

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 |
|-----------|--|------------|------------|
| 2013-2014 | Registered Office at Vallabh Vidyanagar, Gujarat | 05-08-2014 | 2.30 P.M. |
| 2012-2013 | -do- | 01-08-2013 | 12.00 Noon |
| 2011-2012 | -do- | 30-07-2012 | 11.30 A.M. |

B. Special Resolution

Particulars of Special Resolution passed is as follows:

| Financial Year | Date | Particulars |
|----------------|------------|--|
| 2013-2014 | 05-08-2014 | To make payment of Commission to Non Executive Directors under Section 197 of the Companies Act, 2013 Power to borrow upto ₹ 100 crores under Section 180(1) (c) of the Companies Act, 2013 |

C. Postal Ballot

The Company has not passed any resolution through postal ballot during the year 2013-14.

CEO/CFO Certification

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

Means of Communication

| | | |
|------|--|---|
| i. | Half yearly report sent to each shareholders residence. | No |
| ii. | In which newspapers quarterly results were normally published. | Economic 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 |

General Shareholder Information

- i. AGM – date, time and venue Thursday, the 13th August 2015 at 04.30 p.m. at Regd. Office Vallabh Vidyanagar.
- ii. Financial year 2014-2015 (year ending 31-03-2015)
- iii. Book Closure Date 05-08-2015 to 13-08-2015 (both days inclusive)
- iv. Dividend payment Date Credit / Dispatch of dividend warrants on 17-08-2015
- v. Unclaimed Dividend :

Section 125 of the Companies Act, 2013, 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 |
|-----------|------------------------------|------------------------------|---|
| 2007-2008 | 29 th July, 2008 | 1 st August, 2008 | 28 th July, 2015 |
| 2008-2009 | 30 th July, 2009 | 1 st August, 2009 | 29 th July, 2016 |
| 2009-2010 | 30 th July, 2010 | 2 nd August, 2010 | 29 th July, 2017 |
| 2010-2011 | 2 nd August, 2011 | 3 rd August, 2011 | 1 st August, 2018 |
| 2011-2012 | 30 th July, 2012 | 2 nd August, 2012 | 29 th July, 2019 |
| 2012-2013 | 1 st August, 2013 | 3 rd August, 2013 | 31 st July, 2020 |
| 2013-2014 | 5 th August, 2014 | 7 th August, 2014 | 4 th August, 2021 |

vi. Listing on Stock Exchanges

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

BSE Limited

P. J. Towers, 25th Floor, Dalal Street,
Mumbai - 400 001.

The National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block

Bandra - Kurla Complex Bandra (E)

Mumbai - 400 051.

The listing fee for the year 2014-2015 for the above Stock Exchanges has 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

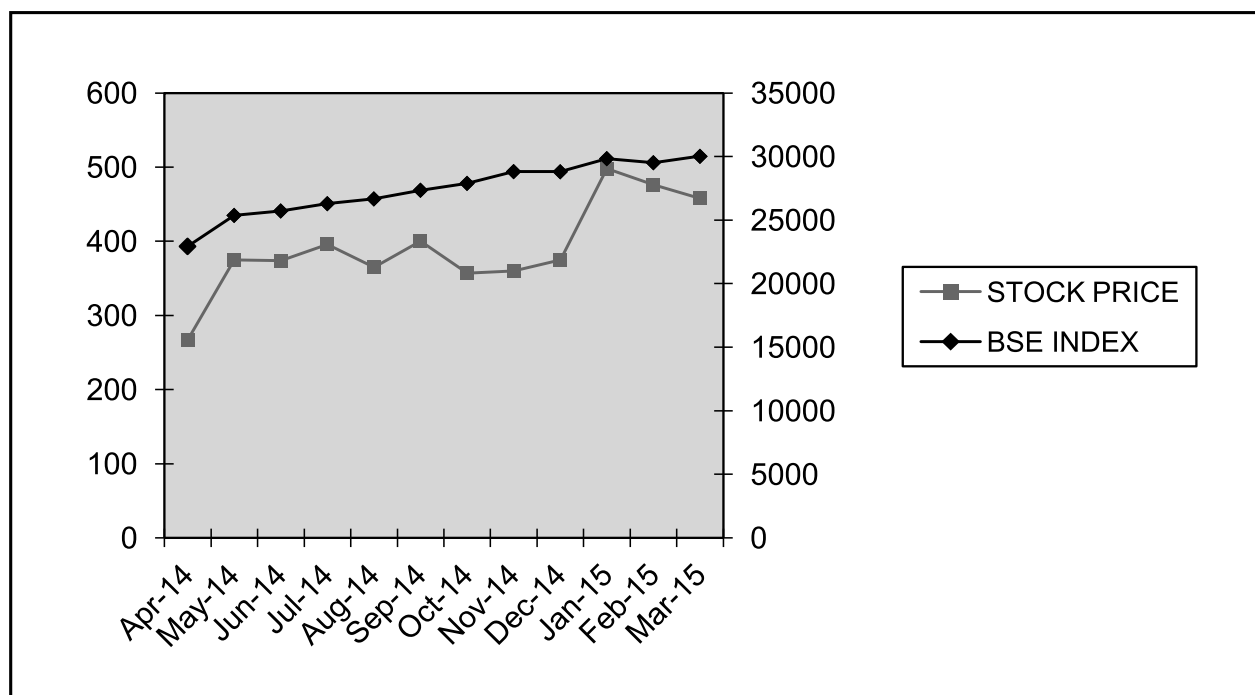
The Stock Code of Company's shares is as follows :

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

viii. Market Price Data

| | BSE Ltd. (BSE) | | | BSE Index | | National Stock Exchange of India Ltd. (NSE) | | |
|----------|----------------|--------|--------------|-----------|----------|---|--------|--------------|
| | High ₹ | Low ₹ | Volume (No.) | High | Low | High ₹ | Low ₹ | Volume (No.) |
| Apr 2014 | 266.90 | 200.00 | 22,230 | 22939.31 | 22197.51 | 265.15 | 203.50 | 24,964 |
| May 2014 | 374.85 | 250.00 | 1,23,056 | 25375.63 | 22277.04 | 384.00 | 250.00 | 84,773 |
| Jun 2014 | 374.00 | 323.00 | 33,393 | 25725.12 | 24270.20 | 374.35 | 327.00 | 46,293 |
| Jul 2014 | 395.90 | 337.00 | 31,041 | 26300.17 | 24892.00 | 391.65 | 330.05 | 21,083 |
| Aug 2014 | 364.90 | 280.10 | 60,230 | 26674.38 | 25232.82 | 367.50 | 285.00 | 28,917 |
| Sep 2014 | 400.00 | 290.55 | 44,505 | 27354.99 | 26220.49 | 400.00 | 300.00 | 21,895 |
| Oct 2014 | 357.00 | 290.00 | 16,786 | 27894.32 | 25910.77 | 354.00 | 297.10 | 11,372 |
| Nov 2014 | 360.00 | 314.25 | 12,326 | 28822.37 | 27739.56 | 360.00 | 313.50 | 13,390 |
| Dec 2014 | 374.95 | 306.25 | 37,544 | 28809.64 | 26469.42 | 374.80 | 312.05 | 20,542 |
| Jan 2015 | 498.00 | 340.20 | 77,593 | 29844.16 | 26776.12 | 508.70 | 340.00 | 40,708 |
| Feb 2015 | 476.35 | 405.00 | 28,318 | 29560.32 | 28044.49 | 470.80 | 403.75 | 10,841 |
| Mar 2015 | 458.00 | 368.30 | 27,650 | 30024.74 | 27248.45 | 463.80 | 362.00 | 33,736 |

ix. Index graph



x. Share Transfer System

No. of Transfers during the year : 16
 No. of Shares transferred : 1950

xi. Distribution of shareholding as on 31st March, 2015:

| Shares held | No. of Shareholders | % of shareholders | No. of Shares held | % of Shareholding |
|---------------|---------------------|-------------------|--------------------|-------------------|
| 1-500 | 4576 | 93.7321 | 500675 | 8.6796 |
| 501-1000 | 126 | 2.5809 | 102868 | 1.7833 |
| 1001-2000 | 82 | 1.6796 | 117202 | 2.0318 |
| 2001-3000 | 27 | 0.5531 | 68774 | 1.1922 |
| 3001-4000 | 17 | 0.3482 | 61657 | 1.0689 |
| 4001-5000 | 19 | 0.3892 | 89161 | 1.5457 |
| 5001-10000 | 16 | 0.3277 | 107573 | 1.8649 |
| 10001 & above | 19 | 0.3892 | 4720475 | 81.8336 |
| Total | 4882 | 100.0000 | 5768385 | 100.0000 |

xii. Shareholding Pattern as at 31st March, 2015

| | 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 |
| | Sub-total | 4271795 | 74.0553 |
| B. | Non-Promoters' Holding | | |
| 3. | Institutions | | |
| a. | Mutual Funds / UTI | 276428 | 4.7921 |
| b. | Financial Institutions/ Banks | 205 | 0.0036 |
| | Sub-total | 276633 | 4.7957 |
| 4. | Non-Institutions | | |
| a. | Bodies Corporate | 152380 | 2.6416 |
| b. | Indian Public | 1038404 | 18.0016 |
| c. | Non-Resident Indians | 17222 | 0.2986 |
| d. | Any other | 11951 | 0.2072 |
| | Sub-total | 1219957 | 21.1490 |
| | GRAND TOTAL | 5768385 | 100.0000 |

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 26th June, 2000.

As on 31st March 2015, 72.72% (4195004 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

B. NON-MANDATORY REQUIREMENTS**1) AUDIT QUALIFICATIONS**

Company may move towards a regime of unqualified financial statements.

2) REPORTING OF INTERNAL AUDITOR

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

Place : Vallabh Vidyanagar
Date : 1st May, 2015

For and on behalf of the Board of Directors

P. C. Amin
Director

M. G. Rao
Wholetime Director

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 31st March, 2015.

Place : Vallabh Vidyanagar
Date : 1st May, 2015

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 31st March, 2015, 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 31st March, 2015 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state 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 : Ahmedabad
Date : 1st May, 2015

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

ANNEXURE – ‘C’ TO DIRECTORS’ REPORT- ITEM NO. 19

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Employees) as on March 31, 2015.

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 | 56 | M. E. (Welding Engg.) | 08-09-11 | Wholetime Director | Overall Management | 84,69,666 | 59,61,912 | 35 | McNally Sayaji Engg. Ltd. (Chief Operating Officer) |
| 2 | Mr. D. M. Patel | 62 | B.E. (Mech.) | 01-09-12 | Group President | Production In Charge | 71,89,188 | 50,11,800 | 37 | Power Build Pvt. Ltd. (Wholetime Director) |

Notes:

- The appointment of Mr. M. G. Rao, Wholetime Director is contractual.
 - 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.
 - Experience includes number of year's service elsewhere, wherever applicable.
- (i) The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name | Designation | Remuneration p.a. | Increase in Remuneration in FY 2014-15 | Ratio (Remuneration of Director to Median Remuneration) | Comparison of the Remuneration of the KMP against the performance of the Company |
|---------|--------------|-------------------------|-------------------|--|---|--|
| 1 | M.G. Rao | Wholetime Director | 84,69,666 | 7,13,224 | 17.88 | Profit After Tax increased by 6.7% |
| 2. | N. D. Shelat | CFO & Company Secretary | 25,90,206 | 86,403 | 5.46 | |

Details of Remuneration of other Directors

| Sr. No. | Name of the Other Directors | Designation | Details of Remuneration | Remuneration p.a. in FY 2014-15 | Remuneration p.a. in FY 2013-14 | % Increase in remuneration Remuneration (2015 over 2014) |
|---------|-----------------------------|---------------------|-------------------------|---------------------------------|---------------------------------|--|
| 1 | P. B. Patel | Non-Independent NED | Sitting Fees | 80,000 | 1,20,000 | (10.81) |
| | | | Commission | 2,50,000 | 2,50,000 | |

Details of Remuneration of other Directors

| Sr. No. | Name of the Other Directors | Designation | Details of Remuneration | Remuneration p.a. in FY 2014-15 | Remuneration p.a. for the year 2013-14 | % Increase in remuneration Remuneration (2015 over 2014) |
|---------|-----------------------------|------------------------|-------------------------|---------------------------------|--|--|
| 2 | P. M. Patel | Non-Independent NED | Sitting Fees | 2,32,500 | 2,20,000 | 2.66 |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 3 | P. C. Amin | Non-Independent NED | Sitting Fees | 1,65,000 | 1,80,000 | (3.49) |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 4 | H. S. Parikh | Independent NED | Sitting Fees | 2,52,500 | 2,40,000 | 2.55 |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 5 | Vihang Virkar | Independent NED | Sitting Fees | 1,80,000 | 2,00,000 | (4.44) |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 6 | Nalin Shah | Independent NED | Sitting Fees | 2,00,000 | 1,80,000 | 4.65 |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 7 | Nirmal Bhogilal | Independent NED | Sitting Fees | 1,67,500 | 1,80,000 | (2.90) |
| | | | Commission | 2,50,000 | 2,50,000 | |
| 8 | Mrs. Manjulladevi Shroff | Independent NED | Sitting Fees | - | - | N.A.* |
| | | | Commission | - | - | |

* Mrs. Manjuladevi Shroff has been appointed as an Independent Director w.e.f. 02/02/2015.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 4.73 lacs.
- (iii) In the financial year, there was increase of 10.12% in the median remuneration of employees. (No. of employees have been decreased from 157 to 145 as on March 31, 2015).
- (iv) There were 145 permanent employees on the rolls of Company as on March 31, 2015.
- (v) Relationship between average increase in remuneration and company performance:- The Profit After Tax for the financial year ended March 31, 2015 increased by 6.70% whereas the increase in median remuneration was 10.12%. The average increase in median remuneration was in line with the performance of the Company.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 7.79% from ₹ 102.60 lacs in 2013-14 to ₹ 110.59 lacs in 2014-15, whereas the profit before tax increased by 7.31% to ₹ 30.08 crores (₹ 28.03 crores in 2013-14) in 2014-15.
- (vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹ 225 crores (₹122 crores as on March 31, 2014).
- b) Price Earnings ratio of the Company was 10.46 as at March 31, 2015 and was 6.02 as at March 31, 2014.
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year - The Company had come out with initial public offer (IPO) in 1992 of Equity Share of ₹ 10/- each at premium of ₹ 55/-. As on March 31, 2015 share price was ₹ 390/-, indicating a Compounded Annual Growth Rate of 8.5%. This is excluding the dividend accrued thereon and benefit on account of bonus shares issued.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 11.67 % whereas the increase in the key managerial remuneration for the same financial year was 7.79 %.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar
Date : 1st May, 2015

**ANNEXURE – ‘D’ TO DIRECTORS’ REPORT -
ITEM NO. 20**

Particulars required to be disclosed in the report of Board of Directors pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

[A] Conservation of energy :

Company has achieved a reduction in electrical energy by 17.7% for the financial year 2014-15.

Energy conservation and efficiency measures were taken in various areas in the plant as under.

1. Main transformer replaced with OLTC to reduce self loses.
2. Removed all individual machine servo stabilizer to reduce self losses.
3. Installed VFD base kaeser air compressor for better electrical efficiency.
4. All overhead in condescent fitting of 250W replaced by LED 160W.
5. All office ceiling CFL light 72W replaced by 42W LED lights.
6. All toilet lights controlled by human sensor.
7. Installed APFC panel on load centre to reduce line loss.
8. Specially designed and installed 525V APFC panel for machine testing to improve power factor.
9. Installed AHF panel to filter odd harmonic and to reduce line loss.

[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.

1. 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.

2. 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.

3. Expenditure:
 1. Capital ₹ 11.98 Lacs
 2. Recurring ₹ 438.04 Lacs
 3. Total R & D expenditure
Percentage of total turnover 2.23%

[C] Technology absorption, adaptation & innovation:

1. 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.

2. Benefits derived as a result of abov efforts.

Absorbtion, 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 cost of production.

3. Technology imported:

[a] Year of Imports : The Company had 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 or the Front End Loader and 520G Wheel Loader is absorbed.

[D] Foreign exchange earning & outgo:

1. During the year the Company has exported goods worth ₹ 131.38 Lacs and continues to make efforts to push up exports.
2. Foreign Exchange used & earned:

| <u>Used</u> | <u>Earned</u> |
|----------------|---------------|
| ₹ 2873.06 Lacs | ₹ 131.38 Lacs |

For and on behalf of the Board of Directors

P. C. Amin
Director

M. G. Rao
Wholetime Director

Place : Vallabh Vidyanagar

Date : 1st May, 2015

ANNEXURE 'E' TO THE BOARD REPORT - ITEM NO. 23

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2015

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

To,
The Members,
Eimco Elecon (India) Limited
Vallabh Vidyanagar.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eimco Elecon (India) Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minutes, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by Eimco Elecon (India) Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) OTHER APPLICABLE ACTS
- (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936, and rules made there under,
 - (c) The Minimum Wages Act, 1948, and rules made there under,
 - (d) Employees' State Insurance Act, 1948, and rules made there under,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - (f) The Payment of Bonus Act, 1965, and rules made there under,
 - (g) Payment of Gratuity Act, 1972, and rules made there under,

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

- (i) Secretarial Standards issued by The Institute of Companies Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

We further report that

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

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at

least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Place : Anand
Date : 27.04.2015

For **D. G. BHIMANI & ASSOCIATES**

DINESH G. BHIMANI
Company Secretary
C P No.: 6628

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

ANNEXURE - A

To,
The Members,
Eimco Elecon (India) Limited
Vallabh Vidyanagar.

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

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

Place : Anand
Date : 27.04.2015

For **D. G. BHIMANI & ASSOCIATES**

DINESH G. BHIMANI
Company Secretary
C P No.: 6628

**ANNEXURE 'F' TO BOARD'S REPORT - ITEM NO. 24****EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2015

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

FORM NO. MGT – 9**1. REGISTRATION AND OTHER DETAILS**

| | | |
|----|--|--|
| 1. | CIN | L29199GJ1974PLC002574 |
| 2. | Registration Date | 31 st July, 1974 |
| 3. | Name of Company | Eimco Elecon (India) Limited. |
| 4. | Category /Sub-Category of the Company | Company having Share Capital |
| 5. | Address of the Registered office and contact details | Anand Sojitra Road, Vallabh Vidyanagar-388120 Tel. No. 02692-230502 |
| 6. | Whether Listed Company | Yes |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent. | Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(w). Mumbai - 400 078. |

2. Principal business activities of the company

All the business activities contributing 10% or more of the total turnover of the company

| Sr.No. | Name and Description of main products/services | NIC Code of the Product/ service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1. | Underground Coal Mining Machinery & its Spares & Components | 2824 | 96.96% |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | Applicable Section |
|---------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Wizard Fincap Ltd | U65910GJ1997PLC031891 | ASSOCIATE | 24.95 | Section 2(6) |
| 2 | Eimco Elecon Electricals Ltd | U31900GJ2005PLC046661 | ASSOCIATE | 47.62 | |

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

i) Category-wise Share Holding

| Category of shareholders | No. of shares held at the beginning of the year (As on 01-04-2014) | | | | No. of shares held at the end of the year (As on 31-03-2015) | | | | % change during the year |
|--|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/ HUF | 17796 | - | 17796 | 0.3085 | 17796 | - | 17796 | 0.3085 | - |
| (b) Central Govt. | | | | | | | | | |
| (c) State Govt (s) | | | | | | | | | |
| (d) Bodies corp. | 2799849 | - | 2799849 | 48.5378 | 2799849 | - | 2799849 | 48.5378 | - |
| (e) Banks/FI | | | | | | | | | |
| (f) Any other-Person Acting in Concert | 6275 | - | 6275 | 0.1088 | 6275 | - | 6275 | 0.1088 | - |
| Sub-Total (A)(1) : | 2823920 | - | 2823920 | 48.9551 | 2823920 | - | 2823920 | 48.9551 | - |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | | | | | | | | | |
| (b) Other - individuals | | | | | | | | | |
| (c) Bodies Corp. | - | 1447875 | 1447875 | 25.1002 | - | 1447875 | 1447875 | 25.1002 | - |
| (d) Banks/FI | | | | | | | | | |
| (e) Any other | | | | | | | | | |
| Sub-total (A)(2) : | - | 1447875 | 1447875 | 25.1002 | - | 1447875 | 1447875 | 25.1002 | - |
| Total Shareholding of Promoter (A) = (A)(1)+(2) | 2823920 | 1447875 | 4271795 | 74.0553 | 2823920 | 1447875 | 4271795 | 74.0553 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | 276428 | - | 276428 | 4.7921 | 276428 | - | 276428 | 4.7921 | - |
| (b) Banks / FI | 100 | 100 | 200 | 0.0035 | 105 | 100 | 205 | 0.0036 | 0.0001 |
| (c) Central Govt | | | | | | | | | |
| (d) State Govt(s) | | | | | | | | | |
| (e) Venture Capital Funds | | | | | | | | | |
| (f) Insurance Companies | | | | | | | | | |
| (g) FIs | | | | | | | | | |
| (h) Foreign Venture Capital Funds | | | | | | | | | |
| (i) Others (specify) | | | | | | | | | |
| Sub-total (B)(1) : | 276528 | 100 | 276628 | 4.7956 | 276533 | 100 | 276633 | 4.7957 | 0.0001 |
| 2. Non-Institutions | | | | | | | | | |
| (a) Bodies Corp. | 169557 | 1050 | 170607 | 2.9576 | 151330 | 1050 | 152380 | 2.6416 | 0.3160 |
| i. Indian | | | | | | | | | |
| ii. Overseas | | | | | | | | | |



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

i) Category-wise Share Holding

| Category of shareholders | No. of shares held at the beginning of the year (As on 01-04-2014) | | | | No. of shares held at the end of the year (As on 31-03-2015) | | | | % change during the year |
|---|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lac | 791734 | 129206 | 920940 | 15.9653 | 754060 | 124356 | 878416 | 15.2281 | 0.7372 |
| (ii) Individual share holders holding nominal share capital in excess of ₹1 lac | 101170 | - | 101170 | 1.7539 | 159988 | - | 159988 | 2.7735 | 1.0196 |
| (c) Others | | | | | | | | | |
| 1. Clearing Member | 5375 | - | 5375 | 0.0932 | 10501 | - | 10501 | 0.1820 | 0.0888 |
| 2. NRI (Repatriate) | 17160 | - | 17160 | 0.2975 | 12282 | - | 12282 | 0.2129 | 0.0846 |
| 3. NRI (Non Repatriate) | 3260 | - | 3260 | 0.0565 | 4940 | - | 4940 | 0.0856 | 0.0291 |
| 4. Independent Directors & Relatives | 1450 | - | 1450 | 0.0251 | 1450 | - | 1450 | 0.0251 | - |
| Sub-total (B)(2): | 1089706 | 130256 | 1219962 | 21.1491 | 1094551 | 125406 | 1219957 | 21.1490 | 0.0001 |
| Total Public Share-holding (B)=(B)(1)+(B)(2) | 1366234 | 130356 | 1496590 | 25.9447 | 1371084 | 125506 | 1496590 | 25.9447 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 4190154 | 1578231 | 5768385 | 100 | 4195004 | 1573381 | 5768385 | 100 | - |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's name | Shareholding at the beginning of the year (As on 01-04-2014) | | | Shareholding at the end of the year (As on 31-03-2015) | | | % change in share holding during the year |
|---------|-------------------------------------|---|----------------------------------|---|---|----------------------------------|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | |
| 1 | Elecon Engg. Co. Ltd. | 958426 | 16.62 | 8.25 | 958426 | 16.62 | 9.99 | - |
| 2 | Prayas Engg. Ltd. | 37500 | 0.65 | 0.59 | 37500 | 0.65 | Nil | - |
| 3 | Emtici Engg. Ltd. | 818303 | 14.19 | - | 818303 | 14.19 | - | - |
| 4 | Power Build Pvt. Ltd. | 16050 | 0.28 | - | 16050 | 0.28 | - | - |
| 5 | Bipra Inv & Trusts Pvt. Ltd. | 188205 | 3.26 | - | 188205 | 3.26 | - | - |
| 6 | Devkishan Inv Pvt. Ltd. | 120900 | 2.10 | - | 120900 | 2.10 | - | - |
| 7 | Elecon Information Tech. Ltd. | 147550 | 2.56 | - | 147550 | 2.56 | - | - |
| 8 | K B Investments Pvt. Ltd. | 487015 | 8.44 | - | 487015 | 8.44 | - | - |
| 9 | Akaaish Mechatronics Ltd. | 25900 | 0.45 | - | 25900 | 0.45 | - | - |
| 10 | Prayasvin B. Patel | 17796 | 0.31 | - | 17796 | 0.31 | - | - |
| 11 | Tarunaben Patel | 5000 | 0.09 | - | 5000 | 0.09 | - | - |
| 12 | Prashant C. Amin | 1275 | 0.02 | - | 1275 | 0.02 | - | - |
| 13 | Tamrock Great Britain Holdings Ltd. | 1447875 | 25.10 | - | 1447875 | 25.10 | - | - |
| Total | | 4271795 | 74.06 | 8.84 | 4271795 | 74.06 | 9.99 | - |

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

| Sr. No. | Shareholder's | Shareholding at the beginning of the year (As on 01-04-2014) | | Cumulative shareholding during the year (01-04-2014 to 31-03-2015) | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 4271795 | 74.0553 | 4271795 | 74.0553 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | No Change | No Change | No Change | No Change |
| | At the end of the year | 4271795 | 74.0553 | 4271795 | 74.0553 |



iv) Shareholding Pattern of Top ten shareholders (Other than Directors, Promoters)

| Sr. No. | Name of Shareholder | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative shareholding during the year (01-04-14 to 31-03-15) | |
|---------|--|---|----------------------------------|------------|-------------------------------------|---------------------------------|---|----------------------------------|
| | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company | | | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company |
| 1 | HDFC TRUSTEE COMPANY LIMITED A/C HDFC GROWTH FUND | 276428 | 4.79 | 01-04-2014 | 0 | Nil Movement during the year | 276428 | 4.79 |
| 2 | MITESH N MEHTA * | 0 | 0.00 | 01-04-2014 | | | | |
| | | | | 30-05-2014 | 4400 | Transfer | 4400 | 0.08 |
| | | | | 13-06-2014 | 6418 | Transfer | 10818 | 0.19 |
| | | | | 20-06-2014 | 2933 | Transfer | 13751 | 0.24 |
| | | | | 30-06-2014 | 19859 | Transfer | 33610 | 0.58 |
| | | | | 18-07-2014 | 2590 | Transfer | 36200 | 0.63 |
| | | | | 22-08-2014 | 31100 | Transfer | 67300 | 1.17 |
| | | | | 29-08-2014 | 10062 | Transfer | 77362 | 1.34 |
| | | | | 05-09-2014 | 2838 | Transfer | 80200 | 1.39 |
| | | | | 31-10-2014 | 1000 | Transfer | 81200 | 1.41 |
| | | | | 14-11-2014 | 800 | Transfer | 82000 | 1.42 |
| | | | | 12-12-2014 | 10000 | Transfer | 92000 | 1.59 |
| | | | | 19-12-2014 | 4000 | Transfer | 96000 | 1.66 |
| | | | | 09-01-2015 | 585 | Transfer | 96585 | 1.67 |
| | | | | 13-03-2015 | -8700 | Transfer | 87885 | 1.52 |
| | | | | 20-03-2015 | -5885 | Transfer | 82000 | 1.42 |
| | | | | 27-03-2015 | -2000 | Transfer | 80000 | 1.39 |
| 3 | LAUREL SECURITIES PVT. LTD. | 23951 | 0.42 | 01-04-2014 | | | | |
| | | | | 04-04-2014 | -101 | Transfer | 23850 | 0.41 |
| | | | | 11-04-2014 | -396 | Transfer | 23454 | 0.41 |
| | | | | 18-04-2014 | -643 | Transfer | 22811 | 0.40 |
| | | | | 25-04-2014 | -151 | Transfer | 22660 | 0.39 |
| | | | | 16-05-2014 | 749 | Transfer | 23409 | 0.41 |
| | | | | 23-05-2014 | -506 | Transfer | 22903 | 0.40 |
| | | | | 30-05-2014 | -500 | Transfer | 22403 | 0.39 |
| | | | | 13-06-2014 | 421 | Transfer | 22824 | 0.40 |
| | | | | 20-06-2014 | -207 | Transfer | 22617 | 0.39 |
| | | | | 30-06-2014 | 1569 | Transfer | 24186 | 0.42 |
| | | | | 04-07-2014 | -218 | Transfer | 23968 | 0.42 |
| | | | | 11-07-2014 | 204 | Transfer | 24172 | 0.42 |
| | | | | 18-07-2014 | -73 | Transfer | 24099 | 0.42 |
| | | | | 25-07-2014 | -284 | Transfer | 23815 | 0.41 |
| | | | | 15-08-2014 | 56 | Transfer | 23871 | 0.41 |
| | | | | 29-08-2014 | -500 | Transfer | 23371 | 0.41 |
| | | | | 05-09-2014 | 334 | Transfer | 23705 | 0.41 |
| | | | | 12-09-2014 | -2301 | Transfer | 21404 | 0.37 |
| | | | | 19-09-2014 | 116 | Transfer | 21520 | 0.37 |
| | | | | 30-09-2014 | 440 | Transfer | 21960 | 0.38 |
| | | | | 10-10-2014 | 523 | Transfer | 22483 | 0.39 |
| | | | | 17-10-2014 | 2587 | Transfer | 25070 | 0.43 |
| | | | | 24-10-2014 | -500 | Transfer | 24570 | 0.43 |
| | | | | 31-10-2014 | -500 | Transfer | 24070 | 0.42 |
| | | | | 07-11-2014 | 1460 | Transfer | 25530 | 0.44 |
| | | | | 14-11-2014 | 2076 | Transfer | 27606 | 0.48 |
| | | | | 21-11-2014 | 1000 | Transfer | 28606 | 0.50 |
| | | | | 05-12-2014 | -151 | Transfer | 28455 | 0.49 |
| | | | | 12-12-2014 | -2235 | Transfer | 26220 | 0.45 |
| | | | | 19-12-2014 | 243 | Transfer | 26463 | 0.46 |
| | | | | 31-12-2014 | 1100 | Transfer | 27563 | 0.48 |
| | | | | 02-01-2015 | -1000 | Transfer | 26563 | 0.46 |
| | | | | 09-01-2015 | -3429 | Transfer | 23134 | 0.40 |
| | | | | 16-01-2015 | -2470 | Transfer | 20664 | 0.36 |
| | | | | 23-01-2015 | 2517 | Transfer | 23181 | 0.40 |

| Sr. No. | Name of Shareholder | Shareholding | | Date | Increase / Decrease in share-holding | Reason | Cumulative share-holding during the year (01-04-14 to 31-03-15) | |
|---------|---|---|----------------------------------|------------|--------------------------------------|------------------------------|---|----------------------------------|
| | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company | | | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company |
| | | | | 13-02-2015 | 1003 | Transfer | 24184 | 0.42 |
| | | | | 20-02-2015 | 15 | Transfer | 24199 | 0.42 |
| | | | | 27-02-2015 | 500 | Transfer | 24699 | 0.43 |
| | | | | 06-03-2015 | -200 | Transfer | 24499 | 0.42 |
| | | | | 13-03-2015 | 145 | Transfer | 24644 | 0.43 |
| | | | | 31-03-2015 | 500 | Transfer | 25144 | 0.44 |
| 4 | SHARAD KANAYALAL SHAH | 25000 | 0.43 | 01-04-2014 | 0 | Nil Movement during the year | 25000 | 0.43 |
| 5 | HITESH SATISHCHANDRA DOSHI | 24477 | 0.42 | 01-04-2014 | 0 | Nil Movement during the year | 24477 | 0.42 |
| 6 | KISHAN GOPAL MOHTA | 14026 | 0.24 | 01-04-2014 | | | | |
| | | | | 04-04-2014 | -6339 | Transfer | 7687 | 0.13 |
| | | | | 11-04-2014 | 588 | Transfer | 8275 | 0.14 |
| | | | | 11-07-2014 | -1150 | Transfer | 7125 | 0.12 |
| | | | | 18-07-2014 | 2491 | Transfer | 9616 | 0.17 |
| | | | | 22-08-2014 | -313 | Transfer | 9303 | 0.16 |
| | | | | 29-08-2014 | -2181 | Transfer | 7122 | 0.12 |
| | | | | 05-09-2014 | -1460 | Transfer | 5662 | 0.10 |
| | | | | 19-09-2014 | 4070 | Transfer | 9732 | 0.17 |
| | | | | 30-09-2014 | 27 | Transfer | 9759 | 0.17 |
| | | | | 31-10-2014 | -330 | Transfer | 9429 | 0.16 |
| | | | | 07-11-2014 | -200 | Transfer | 9229 | 0.16 |
| | | | | 14-11-2014 | -67 | Transfer | 9162 | 0.16 |
| | | | | 21-11-2014 | -950 | Transfer | 8212 | 0.14 |
| | | | | 28-11-2014 | -2050 | Transfer | 6162 | 0.11 |
| | | | | 13-03-2014 | 11838 | Transfer | 18000 | 0.31 |
| 7 | VAIBHAV JAIN | 12511 | 0.22 | 01-04-2014 | 0 | Nil Movement during the year | 12511 | 0.22 |
| 8 | MILI CONSULTANTS & INVESTMENT PVT. LTD. | 10326 | 0.18 | 01-04-2014 | | | | |
| | | | | 04-04-2014 | 8724 | Transfer | 19050 | 0.33 |
| | | | | 20-06-2014 | 500 | Transfer | 19550 | 0.34 |
| | | | | 05-12-2014 | 365 | Transfer | 19915 | 0.35 |
| | | | | 13-03-2014 | -8724 | Transfer | 11191 | 0.19 |
| 9 | NAVNEET MOHTA * | 0 | 0.00 | 01-04-2014 | | | | |
| | | | | 04-07-2014 | 27 | Transfer | 27 | 0.00 |
| | | | | 11-07-2014 | 2973 | Transfer | 3000 | 0.05 |
| | | | | 15-08-2014 | 500 | Transfer | 3500 | 0.06 |
| | | | | 29-08-2014 | 850 | Transfer | 4350 | 0.08 |
| | | | | 31-10-2014 | 489 | Transfer | 4839 | 0.08 |
| | | | | 14-11-2014 | 1766 | Transfer | 6605 | 0.11 |
| | | | | 21-11-2014 | 80 | Transfer | 6685 | 0.12 |
| | | | | 31-12-2014 | 1000 | Transfer | 7685 | 0.13 |
| | | | | 27-02-2015 | 937 | Transfer | 8622 | 0.15 |
| | | | | 06-03-2015 | 775 | Transfer | 9397 | 0.16 |

| Sr. No. | Name of Shareholder | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative shareholding during the year (01-04-14 to 31-03-15) | |
|---------|----------------------------------|---|----------------------------------|--|---|--|---|--|
| | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company | | | | Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15) | % of total shares of the company |
| 10 | BALVANT D MEHTALIA | 9150 | 0.16 | 01-04-2014 | 0 | Nil Movement during the year | 9150 | 0.16 |
| 11 | ASHOK KUMAR JAIN # | 11671 | 0.20 | 01-04-2014 04-04-2014 11-04-2014 18-04-2014 25-04-2014 02-05-2014 09-05-2014 16-05-2014 30-05-2014 08-08-2014 | 130 -675 -626 -729 -990 -2970 -1327 -2183 -2041 | Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer | 11541 10866 10240 9511 8521 5551 4224 2041 0 | 0.20 0.19 0.18 0.16 0.15 0.10 0.07 0.04 0.00 |
| 12 | IFB AUTOMOTIVE PRIVATE LIMITED # | 20000 | 0.35 | 01-04-2014 09-01-2015 | -20000 | Transfer | 0 | 0.00 |
| 13 | SNEHALATHA SINGHI # | 13485 | 0.23 | 01-04-2014 30-05-2014 30-06-2014 | -55 -13430 | Transfer Transfer | 13485 13430 0 | 0.23 0.23 0.00 |

* - Not in list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015

- Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel :

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (As on 01-04-2014) | | Cumulative Shareholding during the year (01-04-2014 to 31-03-2015) | |
|---------|--|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Mr. P. C. Amin (Director) At the beginning of the year | 1275 | 0.02 | 1275 | 0.02 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | - | - | - | - |
| | At the end of the year | 1275 | 0.02 | 1275 | 0.02 |
| 2. | Mr. H. S. Parikh (Director) At the beginning of the year | 1300 | 0.02 | 1300 | 0.02 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | - | - | - | - |
| | At the end of the year | 1300 | 0.02 | 1300 | 0.02 |

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (As on 01-04-2014) | | Cumulative Shareholding during the year (01-04-2014 to 31-03-2015) | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 3. | Mr. P. B. Patel (Director) At the beginning of the year | 17,796 | 0.31 | 17,796 | 0.31 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | - | - | - | - |
| | At the end of the year | 17,796 | 0.31 | 17,796 | 0.31 |
| 4. | Mr Pradip M Patel (Director) Mr. Nalin Shah (Director) Mr. Nirmal Bhogilal (Director) Mrs. Manjula Devi (Director) Mr. M. G. Rao (Wholetime Director) | Nil | Nil | Nil | Nil |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 5. | Mr. Nilesh D. Shelat Company Secretary and CFO | Nil | Nil | Nil | Nil |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total indebtedness |
|---|-------------------------------------|-----------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | Nil | Nil | Nil | Nil |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | Nil | Nil | Nil |
| • Reduction | Nil | Nil | Nil | Nil |

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total indebtedness |
|---|-------------------------------------|-----------------|------------|-----------------------|
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | Nil | Nil | Nil | Nil |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :
A. Remuneration to Wholetime Director :

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | |
|---------|---|--------------------|
| 1. | Mr. M. G. Rao | |
| | Gross Salary | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 75,90,385 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 8,79,281 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil |
| 2. | Stock Option | Nil |
| 3. | Sweat Equity | Nil |
| 4. | Commission | |
| | - As % of Profit | |
| | - Others, specify | Nil |
| 5. | Others, please specify | Nil |
| | Total (A) | 84,69,666 |
| | Ceiling as per the Act | 1,44,93,000 |

B. Remuneration to other Directors

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|-------------------|------------------|---------------------|-------------------|-------------------------|------------------|
| | | Mr. Nalin Shah | Mr. H. S. Parikh | Mr. Nirmal Bhogilal | Mr. Vihang Virkar | Mrs. Manjuladevi Shroff | |
| 1. | Independent Directors | | | | | | |
| | Fee for attending board/committee meetings | 2,00,000 | 2,52,500 | 1,67,500 | 1,80,000 | Nil | 8,00,000 |
| | * Commission | 2,50,000 | 2,50,000 | 2,50,000 | 2,50,000 | Nil | 10,00,000 |
| | * Others, please specify | Nil | Nil | Nil | Nil | Nil | |
| | Total (1) | 4,50,000 | 5,02,500 | 4,17,500 | 4,30,000 | Nil | 18,00,000 |
| 2. | Other Non-Executive Directors | Mr P. B. Patel | Mr. P. M. Patel | Mr. P. C. Amin | | | |
| | Fee for attending board/committee meetings | 80,000 | 2,32,500 | 1,65,000 | | | 4,77,500 |
| | * Commission | 2,50,000 | 2,50,000 | 2,50,000 | | | 7,50,000 |
| | * Others, please specify | Nil | Nil | Nil | | | |
| | Total (2) | 3,30,000 | 4,82,500 | 4,15,000 | | | 12,27,500 |

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|---------------------------------|-------------------|--|--|--|------------------|
| | Total (B = (1 + 2)) | | | | | 30,27,500 |
| | Total Managerial * Remuneration | | | | | 1,14,97,166 |
| | Overall Ceiling as per the Act | | | | | 3,18,86,250 |

* Total remuneration to Wholetime Director and other Directors (being the total of A & B).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | |
|---------|---|----------------------------|
| | Nilesh Shelat, Company Secretary & CFO | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 191 | 25,68,606 21,600 Nil |
| 2. | Stock Option | Nil |
| 3. | Sweat Equity | Nil |
| 4. | Commission - As % of profit - Others, specify | Nil |
| 5. | Others, please specify | |
| | Total | 25,90,206 |

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

| TYPE | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/COURT) | Appeal made, if any (give details) |
|---|------------------------------|-------------------|--|---------------------------|------------------------------------|
| A. COMPANY Penalty Punishment Compounding | | | None None None | | |
| B. DIRECTORS Penalty Punishment Compounding | | | None None None | | |
| C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | | | None None None | | |



Management's Discussion and Analysis

ANNEXURE - "G" TO DIRECTORS' REPORT - ITEM NO.15

INDUSTRY STRUCTURE AND DEVELOPMENT

COAL MINING INDUSTRY

Energy is central to development & poverty reduction measures and can be described as "the backbone of civilization". World's population is forecast to increase from six billion, currently, to over eight billion by 2031. With this explosion of population and particularly, with the emerging dynamic new economies, the pursuit of quantity-wise and quality affordable and reliable source of energy is presenting unprecedented economic, social and environmental challenges.

Worldwide, coal is an extremely important fuel as it is most abundant and widely distributed fossil fuel source and energy from coal is cheaper. About 29.6% of primary energy needs are met by coal and 39% of electricity is generated from coal. About 70% of world steel production depends on coal feedstock.

India can not afford to restrict its growth on account of supply of energy. Coal, being the prime source of energy in the country with a broader reserve base, has to take the major onus of increased energy supply. Responsibility of fulfilling the coal supply requirement of the country primarily rest on Coal India Limited (CIL). Further, this dominant status of CIL is likely to continue in foreseeable future. The gap between the demand and indigenous availability of coal in the country has been rising presently, coal import of about 99Mt is being made. The import requirement is projected to be 265Mt by 2016-17. CIL has no option but to raise its production level to a extent by every means.

FUTURE SCENARIO

The energy dependence on coal is more pronounced in case of developing countries like India and China. In India, coal is currently the prime source of energy as it provides about 52% of the commercial energy and about 67% of the electricity generation is coal based. Coal production can not be started without possession of land, solving R & R problems, getting Environmental and Forestry clearances as well as addressing the coal evacuation problems. Production achievement by CIL during XI Plan was at a CAGR of 5.6% which came down to 4.4% during XII Plan. Enhancement of coal production from a level of about 435 Mt during 2011-12

to a level of 615 Mt under 'Optimistic Scenario' by 2016-17 would entail CAGR of 7.2%. Moreover, achievement of 615 Mt by 2016-17 by CIL would not be enough to limit the increasing import of coal in the country and country would have to resort to growing import to meet the requirement of various consumers in the country.

The Company supplied and installed on trial basis Chair Lift Man Riding System in one of the Coal mine of Coal India Ltd. This system is working satisfactory since installation. This is the Longest chair Lift Man Riding System in India. We also received one order from M/S. Tata Steel Ltd. for supply and installation of Chair Lift Man Riding System.

CONSTRUCTION EQUIPMENT INDUSTRY

Infrastructure projects have a direct relationship with the Construction Equipment Industry demand & supply position. There exists a huge potential of growth in investments for raising an overall infrastructure of our country. Good infrastructure acts as a catalyst in industrial & overall growth of the nation, the sector has always been on priority agenda of the government at all the times. With the Government's renewed impetus on infrastructure, the construction equipment industry is poised for tremendous growth in the coming years. The Government has instilled a positive outlook in the country by announcing new infrastructure projects and is allowing huge investments in infrastructure industry.

Need for timely execution of infrastructure projects & emphasis on qualitative approach will acts as growth drivers for demand of high quality construction equipment. Growing urbanization, Increasing affordability & availability of financing will further spur up the demand for construction equipment. Government has kept an ambitious target of 1 trillion dollar of investment in infrastructure projects in its 12th Five Year Plan. Based on the recent projections, the ECE (Earthmoving & Construction Equipment) market is expected to grow by a healthy 15 to 20 percent over the next few years.

FUTURE SCENARIO

Excited with the expected growth for infrastructure equipment various global manufacturers have put their

stake by investing in the Indian construction equipment industry over a period of last 5 to 6 years in spite of the subdued market on short term basis owing to policy paralysis & global recession. A number of domestic players were noticed expanding their capabilities or diversifying their product portfolios through collaboration & tie-up arrangements with a hope to take advantage as soon as the economic scenario improves.

The initiatives of new Government in promoting domestic and foreign investments in a big way, 'Make in India' drive expect to bring an inflow of funds in Infra Industry.

OPPORTUNITY AND THREATS

With expected off-take of infra projects, Model AL-120, a mid-sized Wheel Loader of 1.2 Cum capacity has a potential to carve its desired place, through its superior features, among similar equipment presently used by construction companies. Further improvement in current distribution network will help spread this product across the length & breadth of the nation. A higher capacity Loader AL-520, of 1.9 Cum has also been planned for its commercial launch during the current financial year. Higher demand of this segment of loader in the market will help realize your company growth in business though we will be pitching against heavy competition from global players.

Based on recommendation from a reputed market survey agency which conducted the market survey for us to add additional product lines in Construction Equipment Segment your company has already started working on the recommended products. You will see addition of some more products in the Construction Equipment family in near future.

Apart from the above, your company is also exploring export potential of construction equipment in market of South East Asia & Africa.

OUTLOOK FOR THE COMPANY

With the all-round revival of coal companies and introduction of state-of-the-art technologies products for mining 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 31st March, 2015 were ₹ 201.84 Crores as compared to ₹ 197.79 Crores on 31st March, 2014. The net profit stood at ₹ 21.51 Crores (previous year ₹ 20.16 Crores).

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.

**Particulars of Contracts/ arrangements made with Related Parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2].

This Form pertains to the disclosure of particulars of contract/ arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

A) Details of contract or arrangements or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015 which were not at arm's length basis.

B) Details of material/contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2015 are as follows:**Nature of Transactions :**

(₹ in Lacs)

| Name of Related Parties | Nature of relationship | Duration of Contract | Salient terms | Year ended 31st March, 2015 |
|---|------------------------|----------------------|---|-----------------------------|
| a) Purchase of Material | | | Based on Related party Transaction Policy | |
| (i) Elecon Engineering Company Limited | Joint Venture | On Going | | 803.52 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 3.30 |
| (iii) Power Build Private Limited | - DO- | - DO- | - DO- | 0.40 |
| (iv) Speciality Woodpack Pvt. Limited | - DO- | - DO- | - DO- | 27.03 |
| (v) Eimco Elecon Electricals Limited | Associate Company | - DO- | - DO- | 126.63 |
| (vi) Elecon Peripherals Limited | Significant Influence | - DO- | - DO- | 8.03 |
| b) Job work Income | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 1.48 |
| c) Job work Expenses | | | | |
| (i) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 0.28 |
| d) Sale of Finished Goods, Consumables & Scrap | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 23.14 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | - |
| (iii) Speciality Woodpack Pvt. Limited | - DO- | - DO- | - DO- | 2.31 |
| (iv) Eimco Elecon Electricals Limited | Associate Company | - DO- | - DO- | 0.27 |
| e) Purchase of Fixed Assets | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 1,005.00 |
| (ii) Elecon Information Technology Limited | Significant Influence | - DO- | - DO- | 155.13 |
| (iii) Eimco Elecon Electricals Limited | Associate Company | - DO- | - DO- | - |
| f) Sale of Fixed Assets | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 2.61 |
| (ii) Power Build Private Limited | Significant Influence | - DO- | - DO- | 5.01 |
| (iii) EMTICI Engineering Limited | - DO- | - DO- | - DO- | 0.47 |
| g) Expenses Charged to | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 97.98 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 1.58 |

| Name of Related Parties | Nature of relationship | Duration of Contract | Salient terms | Year ended 31st March, 2015 |
|---|------------------------|----------------------|---------------|-----------------------------|
| h) Expenses Charged by | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 30.58 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 17.59 |
| (iii) Speciality Woodpack Pvt. Limited | - DO- | - DO- | - DO- | 11.66 |
| (iv) Elecon Information Technology Limited | - DO- | - DO- | - DO- | 77.15 |
| (v) Akaaish Mechatronics Limited | - DO- | - DO- | - DO- | 101.56 |
| (vi) EMTICI Engineering Limited | - DO- | - DO- | - DO- | 49.70 |
| (vii) Wizard Fincap Limited | Associate Company | - DO- | - DO- | 15.34 |
| (viii) Madhubhan Resort & Spa | Significant Influence | - DO- | - DO- | 3.98 |
| i) Sales Commission | | | | |
| (i) EMTICI Engineering Limited | Significant Influence | - DO- | - DO- | 2,459.43 |
| j) Reimbursement of Expense paid / payable | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 12.01 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 0.54 |
| k) Reimbursement of Expense received/receivables | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 70.83 |
| (ii) Elecon EPC Projects Limited | Significant Influence | - DO- | - DO- | 49.63 |
| (iii) Power Build Private Limited | - DO- | - DO- | - DO- | 19.37 |
| (iv) Eimco Elecon Electricals Limited | Associate Company | - DO- | - DO- | 0.22 |
| (v) Elecon Information Technology Limited | Significant Influence | - DO- | - DO- | 0.88 |
| (vi) Akaaish Mechatronics Limited | - DO- | - DO- | - DO- | 0.22 |
| l) Dividend Paid | | | | |
| (i) Tamrock Great Britain Holdings Limited | Joint Venture | - DO- | - DO- | 57.91 |
| (ii) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 38.34 |
| (iii) EMTICI Engineering Limited | Significant Influence | - DO- | - DO- | 32.73 |
| (iv) K. B. Investments Private Limited | - DO- | - DO- | - DO- | 19.48 |
| (v) BIPRA Investments and Trusts Private Limited | - DO- | - DO- | - DO- | 7.53 |
| (vi) Elecon Information Technology Limited | - DO- | - DO- | - DO- | 5.90 |
| (vii) Devkishan Investments Private Limited | - DO- | - DO- | - DO- | 4.84 |
| (viii) Prayas Engineering Limited | - DO- | - DO- | - DO- | 1.50 |
| (ix) Akaaish Mechatronics Limited | - DO- | - DO- | - DO- | 1.04 |
| (x) Power Build Private Limited | - DO- | - DO- | - DO- | 0.64 |
| m) Guarantees and Collaterals given | | | | |
| (i) Elecon Engineering Company Limited | Joint Venture | - DO- | - DO- | 2,773.77 |

Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Place : Vallabh Vidyanagar

Date : 1st May, 2015

P. C. AMIN

Director

M. G. RAO

Wholetime Director



Nomination, Remuneration and Evaluation Policy

THE NOMINATION AND REMUNERATION POLICY

Introduction

In accordance with terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company.

Definitions

In this Policy unless the context otherwise requires:

- (1) **“Act”** means Companies Act, 2013 and rules thereunder.
- (2) **“Company”** means “Eimco Elecon(India) Ltd”.
- (3) **“Board of Directors”** or **“Board”**, in relation to the Company, means the collective body of the directors of the Company.
- (4) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- (5) **“Key Managerial Personnel”** (KMP) means
 - i) Chief Executive Officer or the Managing Director or the Manager,
 - ii) Company Secretary,
 - iii) Wholetime Director,
 - iv) Chief Financial Officer and
 - v) Such other officer as may be prescribed.
- (6) **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement
- (7) **“Policy”** means, “Nomination and Remuneration Policy.”
- (8) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- (9) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
- (10) **“Ministry”** means the Ministry of Corporate Affairs.
- (11) **“Regulations”** refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.

(12) “**Employees’ Stock Option**” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

Objective

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

Membership / Composition

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

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

CHAIRMAN

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

QUORUM

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

COMMITTEE MEMBERS’ INTERESTS

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

VOTING

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

TERM

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

**APPLICABILITY**

This Policy is applicable to:

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

Role / Duties

The Nomination and Remuneration Committee is responsible for:

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

EVALUATION

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

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

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections

- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

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

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

APPOINTMENT OF DIRECTORS/KMPS/SENIOR OFFICIALS

- Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
 - assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- Personal specifications for Directors
 1. Qualification
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
 2. Experience
 - Experience of management in a diverse organisation
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
 3. Skills
 - Excellent interpersonal, communication and representational skills



- Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
4. Abilities and Attributes
- Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
5. Political inclinations and opinions.
6. Other Specifications are as under:
- Degree holder in relevant disciplines;
 - Experience of management in a diverse organization;
 - Excellent interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
 - Having continuous professional development to refresh knowledge and skills.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

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

(i) Remuneration:

a) Base Compensation (fixed salaries)

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

b) Variable Salary :

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives

set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
 - Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and Wholetime director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
 - The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
 - The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Wholetime Director/Manager and ten percent in case of more than one such official.
 - The Company may pay remuneration to its directors, other than Managing Director and Wholetime Director upto one percent of the net profits of the Company, if there is a managing director or Wholetime director or manager and three percent of the net profits in any other case.
 - The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
 - The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
 - The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

REMOVAL

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

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

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



OTHER GENERAL MATTERS

The Committee shall ensure that –

1. The policy is in accordance with the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force);
2. The composition of the Board is in accordance with the Companies Act, 2013, and the rules made thereunder, and Listing Agreement as amended from time to time;
3. The Board of the Company may consciously consist of directors from expertise field as may be considered fit by the Committee which is essential and beneficial for the growth of the Company;
4. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
6. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
7. The policy is disclosed in the Boards' Report.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Eimco Elecon (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 24.1 to the financial statements;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(UMESH H. TALATI)

Partner

Mem. No. 34834

Place : Ahmedabad

Date : 1st May, 2015

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

(Referred to in paragraph 1 under the heading "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.
- (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 loan secured or unsecured to a companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence clause (iii) (a) & (b) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance

of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (vi) 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 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) In respect of Statutory dues:
 - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (b) The disputed Statutory dues aggregating to ₹ 1136.52 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 | 49.47 | Various years from 2002-03 to 2011-12 | Appellate Authority |
| 2. | Central Excise Act, 1944 | Excise Duty and Service Tax | 1057.10 | Various years from 2006-07 to 2013-14 | Appellate Authority |
| 3. | VAT | VAT | 29.95 | Various years from 2008-09 to 2010-11 | Commissionerate level |

- (c) The company has regularly transferred the amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) 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.
- (ix) The Company does not have any borrowings from any financial institution or bank nor it has issued any debentures during the year under audit. Therefore, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) In our opinion and according to the explanations given to us by the Company, the Company has given corporate guarantee amounting to ₹ 2,773.77 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.
- (xi) The Company has not raised any term loans during the year covered under audit. Accordingly, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- (xii) Based on the audit procedures performed and representation obtained from management we report that, no case of 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 : Ahmedabad
Date : 1st May, 2015

**BALANCE SHEET**

(₹ in Lacs)

| As at 31 st March | Note No. | 2015 | 2014 |
|--------------------------------------|------------------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 576.84 | 576.84 |
| (b) Reserves and Surplus | 4 | 19,911.22 | 18,168.37 |
| | | <u>20,488.06</u> | <u>18,745.21</u> |
| (2) Non - current liabilities | | | |
| (a) Deferred Tax liabilities (Net) | 24.6 | - | 19.44 |
| (b) Long-term provisions | 5 | 59.04 | 51.91 |
| | | <u>59.04</u> | <u>71.35</u> |
| (3) Current liabilities | | | |
| (a) Trade Payables | 6 | 2,730.23 | 2,431.73 |
| (b) Other current liabilities | 7 | 543.74 | 742.47 |
| (c) Short-term provisions | 8 | 565.69 | 486.19 |
| | | <u>3,839.66</u> | <u>3,660.39</u> |
| | Total ... | <u>24,386.76</u> | <u>22,476.95</u> |
| II. ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Fixed assets | 9 | | |
| (i) Tangible assets | | 2,690.70 | 1,448.51 |
| (ii) Intangible assets | | 119.66 | 204.68 |
| (iii) Capital work-in- progress | | 3.65 | 96.15 |
| | | <u>2,814.01</u> | <u>1,749.34</u> |
| (b) Non-current investments | 10A | 1,940.16 | 2,057.53 |
| (c) Deferred Tax Assets (Net) | 24.6 | 59.21 | - |
| (d) Long-term loans and advances | 11 | 484.13 | 301.65 |
| | | <u>5,297.51</u> | <u>4,108.52</u> |
| (2) Current assets | | | |
| (a) Current Investments | 10B | 5,578.49 | 5,023.35 |
| (b) Inventories | 12 | 3,092.74 | 2,534.00 |
| (c) Trade Receivables | 13 | 8,840.62 | 9,571.91 |
| (d) Cash and Bank Balance | 14 | 425.34 | 396.33 |
| (e) Short-term Loans and Advances | 15 | 1,152.06 | 842.84 |
| | | <u>19,089.25</u> | <u>18,368.43</u> |
| | Total ... | <u>24,386.76</u> | <u>22,476.95</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

Amedabad : 1st May, 2015

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

N. D. Shelat

(Company Secretary & CFO)

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 1st May, 2015

STATEMENT OF PROFIT AND LOSS ACCOUNT

| | | (₹ in Lacs) | |
|---|-------------|------------------|------------------|
| For the Year Ended 31 st March | Note No. | 2015 | 2014 |
| I Revenue from operations | 16 | | |
| a) Sale of Products (Gross) | | 20,849.56 | 20,460.44 |
| Less : Excise Duty | | 1,278.40 | 1,237.33 |
| Sale of Products (Net) | | <u>19,571.16</u> | <u>19,223.11</u> |
| b) Sale of Services | | 1.48 | 3.46 |
| c) Other Operating Revenue | | 68.07 | 112.78 |
| Total (a+b+c) | | <u>19,640.71</u> | <u>19,339.35</u> |
| II Other income | 17 | <u>544.03</u> | <u>439.70</u> |
| III Total Revenue (I + II) | | <u>20,184.74</u> | <u>19,779.05</u> |
| IV Expenses : | | | |
| Cost of material consumed | 18 | 7,332.15 | 5,713.54 |
| Purchase of Traded Goods | | 3,935.20 | 3,192.29 |
| Change in Inventories of finished goods, Work-in-progress and Stock-in-trade | 19 | (531.66) | 1,765.38 |
| Employee benefits expenses | 20 | 1,161.41 | 1,048.02 |
| Research and Development Expenses | 21 | 438.04 | 284.59 |
| Finance costs | 22 | 44.91 | 29.59 |
| Depreciation and amortisation (Refer Note 9 (1)) | 9 | 432.59 | 511.33 |
| Other expenses | 23 | 4,363.95 | 4,430.70 |
| Total Expenses | | <u>17,176.59</u> | <u>16,975.44</u> |
| V Profit before tax (V-VI) | | <u>3,008.15</u> | <u>2,803.61</u> |
| VI Less/ [Add] :Tax expenses | | | |
| (1) Current tax | | 880.00 | 825.00 |
| (2) Short / (Excess) Provision of Income Tax | | 23.27 | 7.35 |
| (3) Deferred tax | | (46.97) | (45.29) |
| VII Profit for the Year (VII - VIII) | | <u>2,151.85</u> | <u>2,016.55</u> |
| VIII Earnings per equity share : | 24.5 | | |
| Equity Shares of par value of ₹10/- each | | | |
| (1) Basic | | 37.30 | 34.96 |
| (2) Diluted | | 37.30 | 34.96 |
| No. of shares used in computing earnings 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

Amedabad : 1st May, 2015

N. D. Shelat
(Company Secretary & CFO)

For and on behalf of the Board of Directors

Mr. P. C. Amin Director
Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 1st May, 2015

CASH FLOW STATEMENT

(₹ in Lacs)

 For the year ended 31st March

2015
2014
A. CASH FLOW FROM OPERATING ACTIVITIES:

 Net Profit before tax **3,008.15** **2,803.61**
Add:

| | | | |
|------------------|---------------|--------|---------------|
| 1) Depreciation | 432.59 | 511.33 | |
| 2) Interest Paid | 0.71 | 1.65 | |
| | <u>433.30</u> | | <u>512.98</u> |

Less:

| | | | |
|----------------------------------|---------------|--------|---------------|
| 1) Interest Received | 51.61 | 45.89 | |
| 2) Dividend Received | 145.40 | 154.70 | |
| 3) Profit on Sale of Assets | 1.37 | 1.09 | |
| 4) Profit on Sale of Investments | 215.64 | 157.11 | 358.79 |
| | <u>414.02</u> | | <u>512.98</u> |

Operating profit before change in working capital **3,027.43** **2,957.80**
Changes in Working Capital
Add / (Less) :

| | | | |
|-----------------------|-----------------|------------|-----------------|
| 1) Inventories | (558.74) | 2,891.96 | |
| 2) Trade payable | 108.39 | 1,262.90 | |
| 3) Trade receivables | 731.29 | (4,749.00) | |
| 4) Loans and Advances | (511.95) | (282.12) | (876.26) |
| | <u>(231.01)</u> | | <u>(876.26)</u> |

Cash generated from operation **2,796.42** **2,081.54**
Less :

| | | | |
|------------------------------------|--------|--|--------|
| 1) Direct Tax Paid (Net of Refund) | 883.02 | | 889.18 |
|------------------------------------|--------|--|--------|

NET CASH INFLOW FROM OPERATING ACTIVITIES (A) **1,913.40** **1,192.36**
B. CASH FLOW FROM INVESTING ACTIVITIES :

| | | | |
|---------------------------------------|-----------------|----------|-----------------|
| 1) Proceeds from Sale of Fixed Assets | 10.99 | 7.99 | |
| 2) Proceeds from Sale of Investments | 3,766.83 | 2,161.05 | |
| 3) Interest Received | 51.61 | 45.89 | |
| 4) Dividend Received | 145.40 | 154.70 | 2,369.63 |
| | <u>3,974.83</u> | | <u>2,369.63</u> |

Less:

| | | | |
|-----------------------------|-----------------|----------|-----------------|
| 1) Purchase of Fixed Assets | 1,573.85 | 364.30 | |
| 2) Purchase of Investments | 4,015.20 | 2,889.40 | 3,253.70 |
| | <u>5,589.05</u> | | <u>3,253.70</u> |

NET CASH UTILISED IN INVESTING ACTIVITIES (B) **(1,614.22)** **(884.07)**

CASH FLOW STATEMENT (Contd...)

(₹ in Lacs)

For the year ended 31st March20152014**C. CASH FLOW FROM FINANCING ACTIVITIES:****Outflow:**

| | | | | |
|------------------|---------------|---------------|---------------|---------------|
| 1) Interest paid | 0.71 | | 1.65 | |
| 2) Dividend Paid | <u>269.95</u> | <u>270.66</u> | <u>269.95</u> | <u>271.60</u> |

NET CASH OUTFLOW IN FINANCING ACTIVITIES (C)(270.66)(271.60)**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**

28.52

36.69

Cash and Cash Equivalents as at 01/04/2014

383.82347.13

Cash and Cash Equivalents as at 31/03/2015

412.34383.82**Components of Cash and Cash Equivalents**

Cash on hand

0.10

0.10

Balance with banks :

On current accounts

412.24383.72412.34383.82

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
(Firm Reg. No. 110758W)**UMESH H. TALATI**
Partner
Membership No.34834Amedabad : 1st May, 2015**N. D. Shelat**
(Company Secretary & CFO)

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

Mr. M. G. Rao

Wholetime Director

Vallabh Vidyanagar : 1st May, 2015

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015

1. COMPANY OVERVIEW

Eimco Elecon (India) Limited (the Company) is situated at Vallabh Vidyanagar, Gujarat - 388120. The Company was incorporated in 1974 and is engaged in the business of Manufacturing of Equipments for Mining and Construction sector.

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 and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 management's evaluation of relevant facts and circumstances as on date of 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.

In respect of fixed assets (other than Plant & Machinery, Road & Technical Know how) acquired during the year, depreciation/ amortisation is charged on a written down value basis so as to write off the cost of the assets over the useful lives as prescribed in Schedule II of the Companies Act, 2013 and for the assets acquired prior to 1st April, 2014, the carrying amount as on 1st April, 2014 is depreciated over the remaining useful life of the assets.

Plant & Machinery & Road has been depreciated on straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

Leasehold Land is amortized over the period of lease.

Fixed assets individually costing ₹ 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 |

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 the lower of 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 the lower of cost and net realizable value.

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

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)**2.6 REVENUE RECOGNITION**

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when significant risks and rewards 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 is exits.

2.7 OPERATING LEASE

Leases, where the lessor effectively retains substantially 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 over the period of lease.

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

Short-term employee benefits are recognized as an 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 does 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 en cashed 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.

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

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)****2.11 RESEARCH AND DEVELOPMENT EXPENSES**

All revenue expenditure related to R&D including expenses in relation to development of product/ processes is charged to the Statement of Profit and Loss in the period in which it is 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 EARNINGS PER SHARE

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

Diluted Earnings 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 the 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 is 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 benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and 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 st March | 2015 | 2014 |
|--|---------------|---------------|
| (a) Authorised : | | |
| (10,000,000 Equity shares of ₹ 10/- each) | 1,000.00 | 1,000.00 |
| (b) Issued, Subscribed and Fully paid | | |
| 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 | - | - |
| Total .. | 576.84 | 576.84 |

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

| | | |
|--|-----------|-----------|
| Equity Shares at the beginning of the year | 57,68,385 | 57,68,385 |
| Equity Shares at the end of the year | 57,68,385 | 57,68,385 |
| Amount of Share Capital at the beginning | 576.84 | 576.84 |
| Amount of Share Capital at the end | 576.84 | 576.84 |

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 at par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends 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 31st March, 2014 the amount of per share dividend 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 exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

4. RESERVES AND SURPLUS:

| As at 31 st March | 2015 | 2014 |
|---|------------------|------------------|
| (a) Capital Reserves | | |
| Balance as per last balance sheet | 2.91 | 2.91 |
| (b) Securities Premium Reserve | | |
| Balance as per last balance sheet | 753.83 | 753.83 |
| (c) General Reserve | | |
| Balance at the beginning of the year | 17,104.98 | 15,304.98 |
| Add : Transfer from statement of profit and loss | 1,700.00 | 1,800.00 |
| | 18,804.98 | 17,104.98 |
| Less : Depreciation adjustment (Refer Note 9(1)) | 61.53 | - |
| | 18,743.45 | 17,104.98 |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

| 4. RESERVES AND SURPLUS (Contd...) | (₹ in lacs) | |
|--|-------------------------|-------------------------|
| As at 31 st March | <u>2015</u> | <u>2014</u> |
| (d) Surplus as per statement of Profit and Loss | | |
| Balance as per last Balance Sheet | 306.65 | 360.05 |
| Add: Profit for the year | 2,151.85 | 2,016.55 |
| | <u>2,458.50</u> | <u>2,376.60</u> |
| Less : Appropriations : | | |
| Proposed Dividend | 288.42 | 230.74 |
| Tax on Proposed Dividend | 59.05 | 39.21 |
| Transfer to General Reserve | 1,700.00 | 1,800.00 |
| | <u>2,047.47</u> | <u>2,069.95</u> |
| Balance carried forward | 411.03 | 306.65 |
| Total .. | <u><u>19,911.22</u></u> | <u><u>18,168.37</u></u> |
| | | |
| 5. LONG TERM PROVISIONS : | | |
| As at 31 st March | <u>2015</u> | <u>2014</u> |
| Provision for Employee benefits - Leave liability | 59.04 | 51.91 |
| Total .. | <u><u>59.04</u></u> | <u><u>51.91</u></u> |
| | | |
| 6. TRADE PAYABLES : | | |
| As at 31 st March | <u>2015</u> | <u>2014</u> |
| (a) Due to Micro, Small and Medium Enterprises | 341.24 | 420.33 |
| (b) Others | 2,388.99 | 2,011.40 |
| Total .. | <u><u>2,730.23</u></u> | <u><u>2,431.73</u></u> |

There is no principal amount and interest overdue to Micro and Small Enterprises. During the year no interest has been paid to such parties. 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 st March | 2015 | 2014 |
|---|---------------|---------------|
| (a) Investors education and protection fund - Unpaid dividends. | 13.00 | 12.51 |
| (b) Other payables | | |
| Advance from Customers | 19.38 | 38.81 |
| Statutory Payables | 383.32 | 526.30 |
| Outstanding Expenses | 121.28 | 143.52 |
| Purchase of Capital Goods | 6.76 | 21.33 |
| Total .. | 543.74 | 742.47 |

8. SHORT TERM PROVISIONS :

| As at 31 st March | 2015 | 2014 |
|---|---------------|---------------|
| (a) Provision for Employee benefits - Leave Liability | 17.79 | 22.89 |
| (b) Other Provision | | |
| Provision for Warranty (Refer Note 24.4) | 200.43 | 193.35 |
| Proposed Dividend | 288.42 | 230.74 |
| Tax on proposed dividend | 59.05 | 39.21 |
| Total .. | 565.69 | 486.19 |



NOTES TO THE FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS - CURRENT YEAR

| ASSETS | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | NET BLOCK | |
|---|-----------------------|---------------------------|---------------------------|----------------------|---------------|-------------------------|-----------------------|-----------------------|
| | As at 1st April 2014 | Additions during the Year | Deduction during the Year | As at 1st April 2014 | For the year | On Deduction/Adjustment | As at 31st March 2015 | As at 31st March 2014 |
| Tangible Assets : | | | | | | | | |
| Freehold Land | 19.26 | - | - | - | - | - | 19.26 | 19.26 |
| Leasehold Land | - | 905.26 | - | - | 1.43 | - | 903.83 | - |
| Buildings | 686.13 | 229.10 | - | 305.68 | 40.65 | - | 566.72 | 380.44 |
| Road | - | 374.83 | - | - | 8.34 | - | 366.49 | - |
| Plant & Machinery | 6,230.70 | 109.06 | 64.96 | 5,507.79 | 128.61 | 58.72 | 651.26 | 722.92 |
| Electric Fittings | 108.57 | - | - | 62.49 | 33.68 | - | 8.58 | 46.08 |
| Office Equipments and Airconditioners | 172.88 | 27.83 | - | 124.24 | 23.40 | - | 27.43 | 48.64 |
| Furniture and Fixtures | 245.19 | 0.76 | - | 209.55 | 17.89 | - | 4.58 | 35.65 |
| Vehicles | 273.84 | 7.53 | 9.21 | 160.03 | 39.99 | 5.84 | 77.98 | 113.81 |
| Total Tangible Assets | 7,736.57 | 1,654.37 | 74.17 | 6,369.78 | 296.23 | 64.56 | 2,626.13 | 1,366.80 |
| Intangible Assets : | | | | | | | | |
| Technical know how | 301.40 | - | - | 280.81 | 6.02 | - | 14.57 | 20.59 |
| Software licence fees | 206.70 | - | - | 116.29 | 51.68 | - | 38.73 | 90.41 |
| Total Intangible Assets (Acquired) | 508.10 | - | - | 397.10 | 57.70 | - | 53.30 | 111.00 |
| Research & Development : | | | | | | | | |
| (a) Tangible Assets | | | | | | | | |
| Plant & Machinery | 135.26 | 7.93 | - | 59.05 | 15.68 | - | 64.44 | 76.21 |
| Office Equipments & Aircondition | 10.35 | - | - | 4.86 | 5.36 | - | 0.13 | 5.49 |
| Furniture & Fixtures | 0.61 | - | - | 0.60 | 0.01 | - | - | 0.01 |
| Total Tangible Assets | 146.22 | 7.93 | - | 64.51 | 21.05 | - | 64.57 | 81.71 |
| (b) Intangible Assets : | | | | | | | | |
| Software | 138.44 | 4.05 | - | 44.76 | 31.37 | - | 66.36 | 93.68 |
| Total Intangible Assets | 138.44 | 4.05 | - | 44.76 | 31.37 | - | 66.36 | 93.68 |
| Total R & D (a+b) | 284.66 | 11.98 | - | 109.27 | 52.42 | - | 130.93 | 175.39 |
| TOTAL FIXED ASSETS | 8,529.33 | 1,666.35 | 74.17 | 6,876.15 | 406.35 | 64.56 | 2,810.36 | 1,653.19 |
| Previous Year | 8,090.03 | 478.78 | 39.47 | 6,421.39 | 487.36 | 32.60 | 1,653.19 | 1,668.64 |
| Capital Work-in-Progress | | | | | | | 3.65 | 96.15 |
| | | | | | | | 2,814.01 | 1,749.34 |

Notes :

- Consequent to enactment of the Companies Act, 2013 and its applicability for accounting period commencing after 1st April 2014, the Company has re-worked depreciation with reference to the estimated economics lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, which ever is lower. Due to this Depreciation charged for the year ended 31st March, 2015 is higher by ₹15.31 lacs. In case of any asset whose life has completed as above, carrying value, as at 1st April, 2014 has been adjusted to the General Reserve amounting to ₹61.53 lacs (Net of deferred Tax) and in other cases the carrying value has been depreciated over the remaining useful life of the assets and recognised in the Statement of Profit and Loss.
- Depreciation includes depreciation on Fixed Assets ₹406.35 lacs (P. Y. ₹487.36 lacs) and ₹26.24 lacs (P. Y. ₹23.97 lacs) on Investment in Properties.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

9. FIXED ASSETS - PREVIOUS YEAR

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

Notes :

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



NOTES TO THE FINANCIAL STATEMENTS (Contd...)

10. INVESTMENTS (AT COST)

(₹ in lacs)

| As at 31 st March | Face Value | No. of Shares | 2015 | No. of Shares | 2014 |
|---|------------|---------------|------------------------|---------------|------------------------|
| (A) Non Current Investments - at cost | | | | | |
| (i) Trade (Unquoted) | | | | | |
| Investments in Equity Instruments | | | | | |
| Eimco Elecon Electricals Limited | 10 | 510000 | 51.00 | 510000 | 51.00 |
| Wizard Fincap Limited (Refer Note No. 24.8) | 10 | 249500 | 24.95 | 249500 | 24.95 |
| | | | <u>75.95</u> | | <u>75.95</u> |
| (ii) Other Investments | | | | | |
| (a) Investments in Property | | | | | |
| Cost of building given on operating lease | | | 524.12 | | 524.12 |
| Less : Accumulated Depreciation (Refer Note No. 9 (1) & (2)) | | | 87.17 | | 60.93 |
| Net Block | | | <u>436.95</u> | | <u>463.19</u> |
| (b) Investments in Equity Shares Non Trade (Quoted) | | | | | |
| Bank of Baroda | 2 | 3,500 | 0.60 | 700 | 0.60 |
| Bharti Airtel Limited | 5 | 2655 | 11.50 | 2655 | 11.50 |
| Colgate-Palmolive (I) Limited | 1 | 500 | 3.23 | 500 | 3.23 |
| GOL Offshore Limited | 10 | 238 | - | 238 | - |
| Grasim Industries Limited | 10 | 1000 | 10.84 | 1000 | 10.84 |
| Hindustan Unilever Limited | 1 | 1500 | 3.95 | 1500 | 3.95 |
| Infosys Limited | 5 | 3712 | 11.18 | 1856 | 11.18 |
| ITC Limited | 1 | 3000 | 3.50 | 3000 | 3.50 |
| Larsen & Toubro Limited | 2 | 750 | 8.77 | 750 | 8.77 |
| Mahindra & Mahindra Limited | 5 | 8800 | 8.95 | 8800 | 8.95 |
| Reliance Industries Limited | 10 | 5100 | 18.10 | 5100 | 18.10 |
| Reliance Infrastructure Limited | 10 | 390 | 2.77 | 390 | 2.77 |
| Siemens Limited | 2 | 294 | 2.61 | 294 | 2.61 |
| State Bank of India | 1 | 35000 | 29.86 | 3500 | 29.86 |
| Tata Chemicals Limited | 10 | 10000 | 11.29 | 10000 | 11.29 |
| Tata Power Limited (Preferential shares received during the year) | 1 | 57000 | 18.30 | 50000 | 14.10 |
| Tata Steel Limited | 10 | 11325 | 33.29 | 11325 | 33.29 |
| Ultratech Cement Limited | 10 | 571 | - | 571 | - |
| | | | <u>178.74</u> | | <u>174.54</u> |
| (c) Investments in Equity Shares Non Trade (Unquoted) | | | | | |
| Charotar Gas Sahakari Mandali Limited | | | 0.03 | | 0.03 |
| (d) Investments in Mutual Fund - Unquoted | | | | | |
| | | No. of Units | 31-03-2015 | No. of Units | 31-03-2014 |
| Reliance Fixed Horizon Fund - XXV Series 4 Growth (Lien) | | 2500000.000 | 250.00 | 2500000.000 | 250.00 |
| Reliance Fixed Horizon Fund-XXIV Series -16 Growth (Lien) | | 1000000.000 | 100.00 | 1000000.000 | 100.00 |
| SBI Debt Fund Series A 3 420 Days - Growth | | 574812.300 | 57.48 | 574812.300 | 57.48 |
| SBI Debt Fund Series A 14 380 Days - Growth | | 515507.300 | 51.55 | 515507.300 | 51.55 |
| Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien) | | 499619.904 | 50.00 | 500000.000 | 50.00 |
| Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien) | | 499986.289 | 50.00 | 500000.000 | 50.00 |
| Tata Fixed Maturity Fund - Series 46 Scheme B - Growth (Lien) | | 1046671.963 | 104.67 | 2000000.000 | 200.00 |
| | | | <u>663.70</u> | | <u>759.03</u> |
| (e) Investments in Bond Non Trade (Quoted) | | | | | |
| | Face Value | No. of Bonds | 31-03-2015 | No. of Bonds | 31-03-2014 |
| 8.20% Power Finance Corporation Limited | 1000 | 28479 | 284.79 | 28479 | 284.79 |
| 6.88% Power Finance Corporation Limited | 1000 | 30000 | 300.00 | 30000 | 300.00 |
| | | | <u>584.79</u> | | <u>584.79</u> |
| Total..(A) | | | <u><u>1,940.16</u></u> | | <u><u>2,057.53</u></u> |
| Aggregate Cost of Quoted Investments | | | 763.53 | | 759.33 |
| Market Value of Quoted Investments | | | 1,177.15 | | 1,068.33 |
| Aggregate Value of Unquoted Investments | | | 1,176.63 | | 1,298.20 |

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

(₹ in lacs)

| As at 31 st March | No. of Units | 2015 | No. of Units | 2014 |
|--|-----------------|-----------------|-----------------|-----------------|
| (B) Current Investment (lower of cost and fair value) | | | | |
| Investments in Mutual Fund - Unquoted | | | | |
| Axis Liquid Fund Direct Plan - Daily Dividend | 5102.858 | 51.04 | - | - |
| Birla Sun Life FTP Series JG Growth (Lien) | - | - | 7000000.000 | 700.00 |
| Birla Sun Life Short Term Fund (Lien) | 2009171.808 | 237.69 | 1869808.100 | 217.97 |
| Birla Sun Life Dynamic Bond Fund | 2786556.309 | 293.58 | 2634228.230 | 269.59 |
| Birla Sun Life Floating Rate Long Term | - | - | 71653.400 | 71.67 |
| Birla Sun Life Floating Rate Short Term Plan | - | - | 455744.100 | 455.84 |
| Birla Sun Life Saving Fund | 50199.259 | 50.35 | 101537.800 | 101.84 |
| Birla Sun Life Short Term Opportunity Fund - Growth (Lien) | 249432.261 | 50.23 | 249432.300 | 50.23 |
| Birla Sun Life Cash Plus Daily Dividend - Direct (Lien) | 709513.892 | 710.93 | - | - |
| Birla Sun Life Cash Plus Daily Dividend - Direct | 450223.286 | 451.07 | - | - |
| HDFC Cash Management Fund - Treasury Advantage Plan | 2936623.265 | 312.35 | - | - |
| HDFC Fixed Maturity Plan 371D Series -29 Growth (Lien) | 4000000.000 | 400.00 | 4000000.000 | 400.00 |
| HDFC High Interest Short Term Fund - Growth | 398687.330 | 101.61 | - | - |
| ICICI Prudential Dynamic Bond Fund - Growth | 1048498.573 | 140.88 | 1048498.600 | 140.88 |
| ICICI Prudential Fixed Maturity Plan Series 71 (Lien) | - | - | 1000000.000 | 100.00 |
| ICICI Prudential Liquid Super Institutional Plan | 162931.716 | 163.02 | - | - |
| Reliance Dynamic Bond Fund - Growth | 619797.574 | 100.00 | 619797.600 | 100.00 |
| Reliance Fixed Horizon Fund -XXV Series 8 Growth (Lien) | - | - | 5000000.400 | 500.00 |
| Reliance Fixed Horizon Fund -XXV-Series 9 Growth (Lien) | - | - | 5974237.300 | 597.42 |
| Reliance STF Direct G Plan (Lien) | 4640137.967 | 1,200.00 | - | - |
| Reliance Money Manager Fund - Growth (Lien) | 26513.453 | 450.00 | 26513.500 | 450.00 |
| SBI Magnum Income Fund - Growth | 509589.500 | 151.79 | 509589.500 | 151.79 |
| SBI Premier Liquid Fund - Growth | 2297.513 | 50.07 | 5361.362 | 102.24 |
| SBI Short Term Debt Fund - Growth | 1083150.200 | 150.00 | 1083150.200 | 150.00 |
| Tata Income Fund Plan A -Appreciation - Bonus | 221449.100 | 23.33 | 221449.100 | 23.33 |
| Tata Income Fund Plan A -Appreciation -Growth | 115675.800 | 40.55 | 115675.800 | 40.55 |
| Tata Short Term Bond Fund Plan A - Growth (Lien) | 1951173.400 | 400.00 | 1951173.400 | 400.00 |
| Tata Short Term Bond Fund Plan A - Growth | 205280.639 | 50.00 | - | - |
| Total... | | 5,578.49 | | 5,023.35 |
| Aggregate Value of Unquoted Investments | | 5,578.49 | | 5,023.35 |
| Market Value of Investment in Mutual Funds | | 5,959.28 | | 5,218.32 |

Note :

- 1) The Company has on behalf of Elecon Engineering Co. Ltd. provided security to a 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 :

| As at 31st March | <u>2015</u> | <u>2014</u> |
|------------------------------------|----------------------|----------------------|
| [Unsecured Considered good] | | |
| (a) Capital Advances | 216.50 | 108.69 |
| (b) Security Deposits | 267.63 | 192.96 |
| Total .. | <u>484.13</u> | <u>301.65</u> |

12. INVENTORIES :

| As at 31st March | <u>2015</u> | <u>2014</u> |
|--|------------------------|------------------------|
| (a) Raw materials and Components (No goods in transit) | 1,378.18 | 1,351.10 |
| (b) Work-in-progress | 393.04 | 350.92 |
| (c) Finished Goods | 204.94 | 51.44 |
| (d) Stock-in-trade | 1,116.58 | 780.54 |
| Total .. | <u>3,092.74</u> | <u>2,534.00</u> |

13. TRADE RECEIVABLES :

| As at 31st March | <u>2015</u> | <u>2014</u> |
|--|------------------------|------------------------|
| (i) Trade Receivables outstanding for a period exceeding six months from the date they due for payment: Unsecured considered good | <u>205.39</u> | <u>222.82</u> |
| | 205.39 | 222.82 |
| (ii) Other Trade receivables: Unsecured considered good | 8,635.23 | 9,349.09 |
| Total .. | <u>8,840.62</u> | <u>9,571.91</u> |

14. CASH AND CASH EQUIVALENTS :

| As at 31st March | <u>2015</u> | <u>2014</u> |
|------------------------------------|----------------------|----------------------|
| (a) Balances with banks | | |
| On Current account | 412.24 | 383.72 |
| On Unpaid dividend account | 13.00 | 12.51 |
| (b) Cash on hand | 0.10 | 0.10 |
| Total .. | <u>425.34</u> | <u>396.33</u> |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

15. SHORT TERM LOANS AND ADVANCES :

| As at 31st March | 2015 | 2014 |
|--|-----------------|---------------|
| (Unsecured considered good) | | |
| (a) Others: | | |
| Advances to Suppliers | 243.80 | 81.35 |
| Interest Receivable | 10.70 | 10.70 |
| Balance with Excise, Customs and Sales Tax Authorities | 436.71 | 260.06 |
| Advance Income Tax (Net of Provision) | 398.79 | 419.04 |
| Prepaid Expenses | 62.06 | 71.69 |
| Total .. | 1,152.06 | 842.84 |

16. REVENUE FROM OPERATIONS :

| For the Year Ended 31st March | 2015 | 2014 |
|---|------------------|------------------|
| (a) Sale of Products (Refer Note No.24.10) | | |
| Domestic Sales | 19,400.72 | 19,221.40 |
| Export Sales | 170.44 | 1.71 |
| | 19,571.16 | 19,223.11 |
| (b) Sale of Services | 1.48 | 3.46 |
| (c) Other Operating revenue | | |
| Sale of Scrap | 68.07 | 112.78 |
| Total .. | 19,640.71 | 19,339.35 |

17. OTHER INCOME :

| For the Year Ended 31st March | 2015 | 2014 |
|--|---------------|---------------|
| (a) Interest Income - Long Term Investments | 43.99 | 43.79 |
| - Others | 7.62 | 2.10 |
| (b) Dividend Income - Long term Investments | 8.06 | 7.54 |
| - Current Investments | 137.34 | 147.16 |
| (c) Profit on sale of Investments - Long Term Investment | 215.64 | 157.11 |
| | 412.65 | 357.70 |
| (d) Other Non Operating Revenues | | |
| Rent | 46.19 | 68.69 |
| Sales Tax Refund | 1.53 | 1.72 |
| Profit on sale of Fixed Assets | 1.37 | 1.09 |
| Duty Draw Back | 0.96 | - |
| Commission | 44.62 | 10.50 |
| Sundry credit balance written back | 36.71 | - |
| | 131.38 | 82.00 |
| Total .. | 544.03 | 439.70 |

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

(₹ in lacs)

18. COST OF MATERIAL CONSUMED :
(Refer Note No 24.11 & 24.12)**For the Year Ended 31st March**

| | <u>2015</u> | <u>2014</u> |
|----------------------|------------------------|------------------------|
| Opening Stock | 1,351.10 | 2,477.68 |
| Add : Purchases | 7,359.23 | 4,586.96 |
| | <u>8,710.33</u> | <u>7,064.64</u> |
| Less : Closing Stock | 1,378.18 | 1,351.10 |
| Total .. | <u><u>7,332.15</u></u> | <u><u>5,713.54</u></u> |

**19. CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE:****For the Year Ended 31st March**

| | <u>2015</u> | <u>2014</u> |
|--------------------------|------------------------|------------------------|
| (a) Opening Stock | | |
| 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> |
| Less : | | |
| (b) Closing Stock | | |
| Finished Goods | 204.94 | 51.44 |
| Work-in-progress | 393.04 | 350.92 |
| Stock-in-trade | 1,116.58 | 780.54 |
| | <u>1,714.56</u> | <u>1,182.90</u> |
| Total .. | <u><u>(531.66)</u></u> | <u><u>1,765.38</u></u> |

20. EMPLOYEE BENEFITS EXPENSES :**For the Year Ended 31st March**

| | <u>2015</u> | <u>2014</u> |
|---|------------------------|------------------------|
| (a) Salaries and Wages | 1,027.77 | 915.99 |
| (b) Contribution to provident and other funds (Refer Note 24.2) | 89.47 | 84.43 |
| (c) Staff welfare expenses | 44.17 | 47.60 |
| Total .. | <u><u>1,161.41</u></u> | <u><u>1,048.02</u></u> |

21. RESEARCH AND DEVELOPMENT EXPENSES :**For the Year Ended 31st March**

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| (a) Material for Prototyping | 259.42 | 90.13 |
| (b) Salaries and Wages | 140.30 | 156.46 |
| (c) Contribution to provident and other funds | 5.94 | 10.69 |
| (d) Travelling , Conveyance and other expenses | 32.38 | 27.31 |
| Total .. | <u><u>438.04</u></u> | <u><u>284.59</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in lacs)

22. FINANCE COSTS :

| For the Year Ended 31 st March | 2015 | 2014 |
|---|--------------|--------------|
| (a) Interest Expenses | 0.71 | 1.65 |
| (b) Bank Charges | 44.20 | 27.94 |
| Total.. | 44.91 | 29.59 |

23. OTHER EXPENSES :

| For the Year Ended 31 st March | 2015 | 2014 |
|--|-----------------|-----------------|
| Consumables | 263.94 | 204.64 |
| Power and Fuel (Net of Wind Turbine Generation) | 13.77 | 18.63 |
| Rent | 89.24 | 102.44 |
| Repairs and Maintenance : | | |
| Buildings | 159.13 | 80.86 |
| Plant and Machinery | 190.99 | 219.62 |
| Computer | 58.24 | 48.23 |
| Others | 25.70 | 26.58 |
| | 434.06 | 375.29 |
| Insurance | 31.87 | 30.82 |
| Rates and Taxes | 28.03 | 121.43 |
| Excise Duty | 47.89 | 156.02 |
| Product Warranty | 200.43 | 193.35 |
| Freight | 83.15 | 79.26 |
| Compensation to Distributors | 2,337.17 | 2,335.52 |
| Advertisement and Sales Promotion | 27.49 | 23.06 |
| Computer Expense | 1.59 | 1.85 |
| Travelling and Conveyance | 141.88 | 132.04 |
| Software licence fees | 39.20 | 73.25 |
| Legal and Professional Fees | 122.75 | 109.41 |
| Directors' Sitting Fees | 12.78 | 13.20 |
| Commission to Non-Executive Directors | 17.50 | 17.50 |
| Auditor's Remuneration (Refer Note 24.9) | 5.46 | 5.33 |
| Lease Rent (Refer Note 24.18) | 4.20 | 4.20 |
| LD charges | 12.81 | 19.73 |
| Works & Office Expenses | 62.98 | 60.06 |
| Miscellaneous Labour charges | 223.70 | 187.11 |
| E.mail & Internet Expenses | 9.98 | 9.98 |
| Garden Expenses | 28.40 | 20.50 |
| Exchange Rate Fluctuations difference | 5.22 | 12.91 |
| Donation | 20.83 | 66.28 |
| Contribution towards CSR (Refer Note 24.19) | 43.23 | - |
| Miscellaneous Expenses | 54.40 | 56.89 |
| Total .. | 4,363.95 | 4,430.70 |

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

(₹ in lacs)

| As at 31st March | 2015 | 2014 |
|--|-----------------|-----------------|
| Guarantee given by the Company on behalf Elecon Engineering Co. Ltd. | 2,773.77 | 3,037.50 |
| Income tax demand disputed by the Company | 112.78 | 179.01 |
| Sales Tax Demand Disputed by the Company | 53.73 | 22.38 |
| Excise & Service tax Demand Disputed by the Company | 1,006.89 | 584.77 |

Note : Outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

(b) Commitment:

Estimated amount of contracts remaining to be executed on Capital Account is ₹121.45 Lacs (Net of advance) (P.Y. ₹509.73 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) | |
|---|--------------------------|----------------|
| | 2014-15 | 2013-14 |
| Discount Rate | 7.92% | 9.35% |
| Rate of Increase in Compensation Levels | 7.00% | 7.00% |
| Rate of Return of plan assets | 7.92% | 8.70% |
| Employee Turnover | 2% | 2% |

The following table summarise 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 plan.

(b) Net employee benefit expense (recognized in employee cost under provision to Provident and other funds)

(₹ in lacs)

| Particulars | 2014-15 | 2013-14 |
|--|----------------|----------------|
| Current service cost | 13.43 | 15.05 |
| Interest cost | 28.81 | 25.46 |
| Expected return on plan assets | (31.24) | (31.41) |
| Net actuarial (gain) / loss recognized in the year | 16.08 | (16.16) |
| Net benefit expense | 27.08 | (7.56) |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Defined benefit obligation | 325.14 | 308.12 |
| Fair value of plan assets | 349.73 | 359.10 |
| | (24.59) | (50.98) |
| Less: Unrecognized past service cost | - | - |
| Liability / (Assets) recognized in the Balance sheet. | (24.59) | (50.98) |

(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 | 2014-15 | 2013-14 |
|--|---------|---------|
| Opening defined benefit obligation | 308.12 | 318.26 |
| Interest cost on benefit obligation | 28.81 | 25.46 |
| Current service cost | 13.43 | 15.05 |
| Benefits paid | (41.58) | (31.50) |
| Liabilities transferred from other companies* | - | - |
| Actuarial (gains)/losses on obligation due to change in Financial Assumption | 21.38 | (19.15) |
| Actuarial (gains)/losses on obligation due to Experience | (5.02) | - |
| Closing defined benefit obligation | 325.14 | 308.12 |

* 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 | 2014-15 | 2013-14 |
|--|---------|---------|
| Opening fair value of plan assets | 359.10 | 361.02 |
| Expected Return | 31.24 | 31.41 |
| Contribution by employer | 0.69 | 0.67 |
| Benefits paid | (41.58) | (31.50) |
| Assets transferred from other companies* | - | - |
| Actuarial Gains/(losses) | 0.27 | (2.50) |
| Closing fair value of plan assets | 349.73 | 359.10 |

This amount includes transfer of employees from other companies

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

| Particulars | 2014-15 | 2013-14 |
|----------------------|---------|---------|
| 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 31-03-2015 | As at 31-03-2014 | As at 31-03-2013 | As at 31-03-2012 | As at 31-03-2011 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Defined benefit obligation | 325.14 | 308.12 | 318.26 | 272.21 | 252.20 |
| Fair Value of Plan assets | 349.73 | 359.10 | 361.01 | 309.77 | 287.38 |
| Surplus / (deficit) | 24.59 | 50.98 | 42.75 | 37.56 | 35.18 |
| Experience adjustment on plan liabilities (gain)/loss | (5.02) | 0.89 | (1.35) | 27.83 | 2.54 |
| Experience adjustment on plan assets (loss)/gain | 0.27 | (2.50) | 2.79 | 1.94 | 2.08 |

(h) The expected contribution for Defined Benefit Plan for the next financial year will be inline with F.Y. 2014-15.

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 ₹200.43 lacs (P.Y ₹ 193.35 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 01-04-14 | Addition | Utilization | Additional / Excess | As on 31-03-15 |
|-------------------|----------|-------------|------------------------|-------------------|
| 193.35 | 200.43 | 115.84 | 77.51 | 200.43 |
| (170.00) | (193.35) | (265.28) | (-71.93) | (193.35) |

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. | 2014-15 | 2013-14 |
|---|------------------|-----------|
| (a) Net Profit available to Equity Shareholders (₹ in Lacs) | 2,151.85 | 2,016.55 |
| (b) Weighted Average number of equity shares used as a denominator for calculating EPS | 57,68,385 | 57,68,385 |
| (c) Basic and Diluted Earnings Per Share (₹) | 37.30 | 34.96 |
| (d) Nominal Value of Equity Shares (₹) | 10.00 | 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 | 2014-15 | 2013-14 |
|---|--------------|----------------|
| DEFERRED TAX ASSETS : | | |
| (a) Provision for Leave encashment and Bonus | 26.31 | 25.62 |
| (b) Excess of written down value as per books of Accounts over Income Tax written down value | 32.90 | - |
| | 59.21 | 25.62 |
| DEFERRED TAX LIABILITY : | | |
| (a) Excess of written down value as per books of Accounts over Income Tax Written down value. | - | 45.06 |
| NET DEFERRED TAX ASSETS / LIABILITY | 59.21 | (19.44) |

24.7 DERIVATIVE INSTRUMENTS

(a) During the year the, Company has entered into the following forward contracts to offset foreign currency risk arising from the amounts denominated in currencies other than the Indian rupees.

| Particulars | As at 31 st March 2015 | As at 31 st March 2014 |
|----------------|--------------------------------------|--------------------------------------|
| Rupees in lacs | 89.14 | - |
| EURO | 1,20,950 | - |

(b) Foreign currency exposure at the year end not hedged by derivative instruments.

| Particulars | As at 31 st March 2015 | As at 31 st March 2014 |
|---|--------------------------------------|--------------------------------------|
| Payable Against Import of Goods and Services | | |
| <u>Rupees in lacs</u> | 12.03 | 0.55 |
| Euro | 16,386.23 | - |
| GBP | 486.55 | - |
| US Dollar | - | 880.00 |
| Advance Payment to Supplier | | |
| <u>Rupees in Lacs</u> | 10.43 | 43.45 |
| Euro | 17,171.11 | 35,357.93 |
| US Dollar | 2,525.00 | 22,557.60 |
| Advance Received from Customer | | |
| <u>Rupees in Lacs</u> | - | 7.94 |
| US Dollar | - | 13,067.00 |

**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) Elecon Engineering Company Limited (Joint Venture)
- (ii) Wizard Fincap Limited (Associate)
- (iii) Eimco Elecon Electricals Limited (Associate)

b) Individual having control / significant influence

- (i) P. B. Patel

c) Key management Personnel

- (i) M. G. Rao
- (ii) N. D. Shelat

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

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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

| | | |
|---|--|-------------|
| e) Collaborators | | |
| (i) | Sandvik AB, Sweden | |
| (ii) | Tamrock Great Britain Holdings Limited | |
| For Year Ended 31st March | | |
| | | 2015 |
| | | 2014 |
| B) Nature of transactions : | | |
| a) Purchase of Material / Finished Goods | | |
| (i) | Elecon Engineering Company Limited | 803.52 |
| (ii) | Elecon EPC Projects Limited | 3.30 |
| (iii) | Power Build Private Limited | 0.40 |
| (iv) | Speciality Woodpack Private Limited | 27.03 |
| (v) | Eimco Elecon Electricals Limited | 126.63 |
| (vi) | Elecon Peripherals Limited | 8.03 |
| | | 650.34 |
| | | - |
| | | - |
| | | 24.24 |
| | | 91.86 |
| | | 4.68 |
| b) Job work Income | | |
| (i) | Elecon Engineering Company Limited | 1.48 |
| | | 3.46 |
| c) Job work Expenses to other Co. | | |
| (i) | Elecon EPC Projects Limited | 0.28 |
| | | 3.27 |
| d) Sale of Finished Goods / Consumables | | |
| (i) | Elecon Engineering Company Limited | 23.14 |
| (ii) | Elecon EPC Projects Limited | - |
| (iii) | Speciality Woodpack Pvt. Limited | 2.31 |
| (iv) | Eimco Elecon Electricals Limited | 0.27 |
| (v) | Sandvik Asia Pvt. Ltd. (Pune) | 44.22 |
| | | 18.34 |
| | | 0.63 |
| | | 0.98 |
| | | 6.70 |
| | | 481.10 |
| e) Purchase of Fixed Assets | | |
| (i) | Elecon Engineering Company Limited | 1,005.00 |
| (ii) | Elecon Information Technology Limited | 155.13 |
| (iii) | Eimco Elecon Electricals Limited | - |
| | | - |
| | | 45.62 |
| | | 22.63 |
| f) Sale of Fixed Assets | | |
| (i) | Elecon Engineering Company Limited | 2.61 |
| (ii) | Power Build Private Limited | 5.01 |
| (iii) | EMTICI Engineering Limited | 0.47 |
| | | - |
| | | - |
| | | - |
| g) Expenses Charged to | | |
| (i) | Elecon Engineering Company Limited | 97.98 |
| (ii) | Elecon EPC Projects Limited | 1.58 |
| | | 16.81 |
| | | 27.70 |
| h) Expenses Charged by | | |
| (i) | Elecon Engineering Company Limited | 30.58 |
| (ii) | Elecon EPC Projects Limited | 17.59 |
| (iii) | Speciality Woodpack Pvt. Limited | 11.66 |
| (iv) | Elecon Information Technology Limited | 77.15 |
| (v) | Akaaish Mechatronics Limited | 101.56 |
| (vi) | EMTICI Engineering Limited | 49.70 |
| (vii) | Wizard Fincap Limited | 15.34 |
| (viii) | Madhubhan Resort & Spa | 3.98 |
| | | 71.96 |
| | | 17.68 |
| | | 17.21 |
| | | 100.87 |
| | | 101.62 |
| | | 56.28 |
| | | 14.83 |
| | | 2.74 |
| i) Sales Commission | | |
| (i) | EMTICI Engineering Ltd. | 2,459.43 |
| | | 2,442.55 |
| j) Reimbursement of Expense paid / payable | | |
| (i) | Elecon Engineering Company Limited | 12.01 |
| (ii) | Elecon EPC Projects Limited | 0.54 |
| | | 4.94 |
| | | 1.82 |

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

(₹ in lacs)

| For Year Ended 31st March | <u>2015</u> | <u>2014</u> |
|--|--------------------|--------------------|
| k) Reimbursement of Expense received / receivables | | |
| (i) Elecon Engineering Company Limited | 70.83 | - |
| (ii) Elecon EPC Projects Limited | 49.63 | - |
| (iii) Power Build Private Limited | 19.37 | - |
| (iv) Eimco Elecon Electricals Limited | 0.22 | - |
| (v) Elecon Information Technology Limited | 0.88 | - |
| (vi) Akaaish Mechatronics Limited | 0.22 | - |
| l) Remuneration | | |
| (i) M. G. Rao | 75.90 | 69.90 |
| (ii) N. D. Shelat | 23.78 | 23.35 |
| m) Dividend Paid | | |
| (i) Tamrock Great Britain Holding Limited | 57.91 | 57.91 |
| (ii) Elecon Engineering Company Limited | 38.34 | 38.34 |
| (iii) EMTICI Engineering Company Limited | 32.73 | 32.73 |
| (iv) K. B. Investments Private Limited | 19.48 | 19.48 |
| (v) BIPRA Investments and Trusts Private Limited | 7.53 | 7.53 |
| (vi) Elecon Information Technology Limited | 5.90 | 5.90 |
| (vii) Devikishan Investments Private Limited | 4.84 | 4.84 |
| (viii) Prayas Engineering Limited | 1.50 | 1.50 |
| (ix) Akaaish Mechatronics Limited | 1.04 | 1.04 |
| (x) Power Build Private Limited | 0.64 | 0.64 |
| n) Guarantees and Collaterals given | | |
| (i) Elecon Engineering Company Limited | 2,773.77 | 3,037.50 |
| C) Balance at year end : | | |
| As at 31st March | <u>2015</u> | <u>2014</u> |
| (i) Outstanding Payables : | | |
| a) Associates and Joint Ventures : | | |
| (i) Wizard FinCap Limited | 0.78 | 0.61 |
| (ii) Eimco Elecon Electricals Limited | 24.91 | 33.50 |
| (iii) Elecon Engineering Company Limited | 44.87 | 171.61 |
| b) Key management Personnel | | |
| (i) M. G. Rao | 5.00 | 5.00 |
| c) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence : | | |
| (i) Elecon EPC Projects Limited | 16.48 | -9.73 |
| (ii) Elecon Peripherals Limited | - | 1.04 |
| (iii) EMTICI Engineering Limited | 514.09 | 594.84 |
| (iv) Elecon Information Technology Limited | 0.09 | 0.31 |
| (v) Akkaish Mechatronics Limited | 7.58 | 0.14 |
| (vi) Speciality Woodpack Private Limited | 6.45 | 9.24 |
| (vii) Power Build Private Limited | 0.38 | - |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24.8 RELATED PARTY TRANSACTIONS (Contd...)

(₹ in lacs)

| As at 31 st March | 2015 | 2014 |
|--|-------|-------|
| (ii) Outstanding Receivables : | | |
| a) Associates and Joint Ventures : | | |
| (i) Elecon Engineering Company Limited (Joint Venture) | 70.12 | 14.04 |
| (iii) Eimco Elecon Electricals Limited (Associate) | 0.29 | 2.33 |
| b) Enterprises over which Note No. 24 (A)(b) or 24 (A)(c) of above have Significant influence : | | |
| (i) Elecon EPC Projects Limited | 10.40 | 2.95 |
| (ii) Speciality wood pack Pvt. Limited | 0.55 | 0.28 |
| (iii) Elecon Information Technology Limited | 0.88 | - |
| (iv) Akaaish Mechatronics Limited | 0.22 | - |
| (v) EMTICI Engineering Company Limited | 0.47 | - |
| (vi) Power Build Private Limited | 3.77 | - |
| c) Collaborators | | |
| (i) Sandvik Asia Private Limited | 15.35 | 31.66 |
| (iii) Investment : | | |
| a) Associates | | |
| (i) Wizard Fincap Limited | 24.95 | 24.95 |
| (ii) Eimco Elecon Electrical Limited | 51.00 | 51.00 |

24.9 AUDITOR'S FEES AND EXPENSES INCLUDES REMUNERATION

(₹ in lacs)

| For the Year | 2014-15 ₹ | 2013-14 ₹ |
|-----------------------------------|--------------|--------------|
| (a) Auditor | 1.87 | 1.87 |
| (b) For Taxation matters | 0.83 | 0.86 |
| (c) For tax audit fees | 0.45 | 0.45 |
| (d) For other services | 0.95 | 0.50 |
| (e) For reimbursement of expenses | 1.36 | 1.30 |
| Total | 5.46 | 4.98 |

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)****24.10 TURNOVER**

(₹ in lacs)

| Particulars | 2014-15 | | 2013-14 | |
|---|---------|------------------|---------|------------------|
| | Nos. | Value (₹) | Nos. | Value (₹) |
| Tunneling Loaders with various attachments other than Road Headers | 238 | 8,857.66 | 205 | 7,805.84 |
| Mining Machinery viz., Off-The Highway Dumpers of various types including Articulated profile | - | - | - | - |
| Air Motors | 115* | 38.90 | 108* | 38.75 |
| Spares for above | - | 9,900.99 | - | 10,464.85 |
| Hydraulic Cylinders | 1** | - | 10** | - |
| Construction Equipment | 31 | 486.00 | 34 | 529.38 |
| Blast hole & Water well drilling rigs | - | - | 4 | 384.29 |
| Chair Lift System | 1 | 287.61 | - | - |
| TOTAL | | 19,571.16 | | 19,223.11 |

*Includes 38(55) numbers for captive consumption.

**Includes 1 (10) numbers for captive consumption.

24.11 CONSUMPTION OF RAW MATERIAL, SPARES & COMPONENTS

(₹ in lacs)

| Name of Material | 2014-15 | | 2013-14 | |
|--|---------|-----------------|---------|-----------------|
| | Unit | Value | Unit | Value |
| Casting | Nos. | 504.85 | Nos. | 371.38 |
| Forgings | Nos. | 16.31 | Nos. | 17.17 |
| Bearings | Nos. | 94.11 | Nos. | 98.51 |
| Round Bars and Plates | Tons. | 221.74 | Tons. | 289.76 |
| Other Raw Materials, Spares & Components | | 6,495.14 | | 4,936.72 |
| TOTAL | | 7,332.15 | | 5,713.54 |

24.12 VALUE OF RAW MATERIALS, SPARES AND COMPONENTS CONSUMED

(₹ in lacs)

| Name of Material | 2014-15 | | 2013-14 | |
|------------------|------------------|------------|------------------|------------|
| | Unit | Value | Unit | Value |
| Imported | 3,105.85 | 29 | 2,887.33 | 27 |
| Indigenous | 7,629.84 | 71 | 7,783.79 | 73 |
| TOTAL | 10,735.69 | 100 | 10,671.21 | 100 |

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24.13 VALUE OF STORES CONSUMED

(₹ in lacs)

| Name of Material | 2014-15 | | 2013-14 | |
|------------------|---------------|------------|---------------|------------|
| | Unit | Value | Unit | Value |
| Imported | - | - | - | - |
| Indigenous | 263.94 | 100 | 204.64 | 100 |
| TOTAL | 263.94 | 100 | 204.64 | 100 |

24.14 CIF VALUE OF IMPORTS IN RESPECT OF

(₹ in lacs)

| For the Year | 2014-15 (₹) | 2013-14 (₹) |
|-----------------------|----------------|----------------|
| Components and Spares | 2,809.02 | 1,788.41 |

24.15 EARNING IN FOREIGN EXCHANGE ON ACCOUNT OF

(₹ in lacs)

| For the Year | 2014-15 (₹) | 2013-14 (₹) |
|--------------------|----------------|----------------|
| FOB value of Sales | 131.38 | 1.71 |

24.16 EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

| For the Year | 2014-15 (₹) | 2013-14 (₹) |
|--------------|----------------|----------------|
| Travelling | 6.13 | 5.90 |
| Others | - | 3.80 |

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

(₹ in lacs)

| For the Year | 2014-15 (₹) | 2013-14 (₹) |
|---|----------------|----------------|
| Number of Non-resident shareholders | 1 | 1 |
| Number of shares held on which dividend was due | 14,47,875 | 14,47,875 |
| Year to which dividend relates | 2013-14 | 2012-13 |
| 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 | 2014-15 (₹) | 2013-14 (₹) |
|---|----------------|----------------|
| Lease Payments During the Year | 93.44 | 106.64 |
| Minimum Lease Payments | | |
| Not later than one year | 46.07 | 98.63 |
| Later than one year not later than five years | 40.83 | 81.75 |

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

| For the Year | 2014-15 (₹) | 2013-14 (₹) |
|---|----------------|----------------|
| Lease Receipt During the Year | 46.19 | 45.46 |
| Minimum Lease Receipt | | |
| Not later than one year | 48.98 | 45.60 |
| Later than one year not later than five years | 74.33 | 122.71 |

24.19 Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were primarily allocated to a corpus and utilized through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013 : ₹ 43.23 Lacs.

24.20 Details of Corporate Guarantees given by the Company covered u/s 186 (4) of the Companies Act, 2013.

(₹ in lacs)

| Name of the Company | 2014-15 | 2013-14 |
|------------------------------------|-----------------|----------|
| Elecon Engineering Company Limited | 2,773.77 | 3,037.50 |

24.21 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

Ahmedabad : 1st May, 2015

For and on behalf of the Board of Directors

Mr. P. C. Amin Director

Mr. M. G. Rao Wholetime Director

Vallabh Vidyanagar : 1st May, 2015

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

| Part "A" Subsidiaries | | | | | | | | | | | | | | |
|-----------------------|------------------------|---|---|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|--------------------|
| Sr. No. | Name of the Subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Share capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Proposed dividend | % of share-holding |
| | No subsidiary | | | | | | | | | | | | | |

| Part "B" : Associates and Joint Ventures | | | | | | | | | | |
|---|------------------------------------|--------------------------------------|--|--|--|--|--|--------------------------------|------------------------------------|--|
| Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures | | | | | | | | | | |
| Sr. No. | Name of Associates/ Joint Ventures | 1. Latest Audited Balance Sheet Date | 2. Shares of Associate/Joint Venture held by company on the year end | | 3. Description of how there is significant influence | 4. Reason why the associate/ joint venture is not consolidated | 5. Networth attributable to shareholding as per latest audited Balance Sheet | 6. Profit/Loss for the year | | |
| | | | No. | Amount of investment in Associates in Joint Ventures | | | | i. Considered in Consolidation | i. Not considered in Consolidation | |
| 1 | Eimco Elecon Electricals Ltd. | 31-03-2015 | 510000 | 51.00 | N.A. | In view of MCA Notification dtd. 14-10-2014, exemption granted from consolidation. | 365.25 | N.A. | 205.5 | |
| 2 | Wizard Fincap Ltd. | 31-03-2015 | 249500 | 24.95 | N.A. | -do- | 75.78 | N.A. | 5.78 | |

For and on behalf of the Board of Directors

Mr. P. C. Amin

Director

Mr. M. G. Rao

Wholetime Director

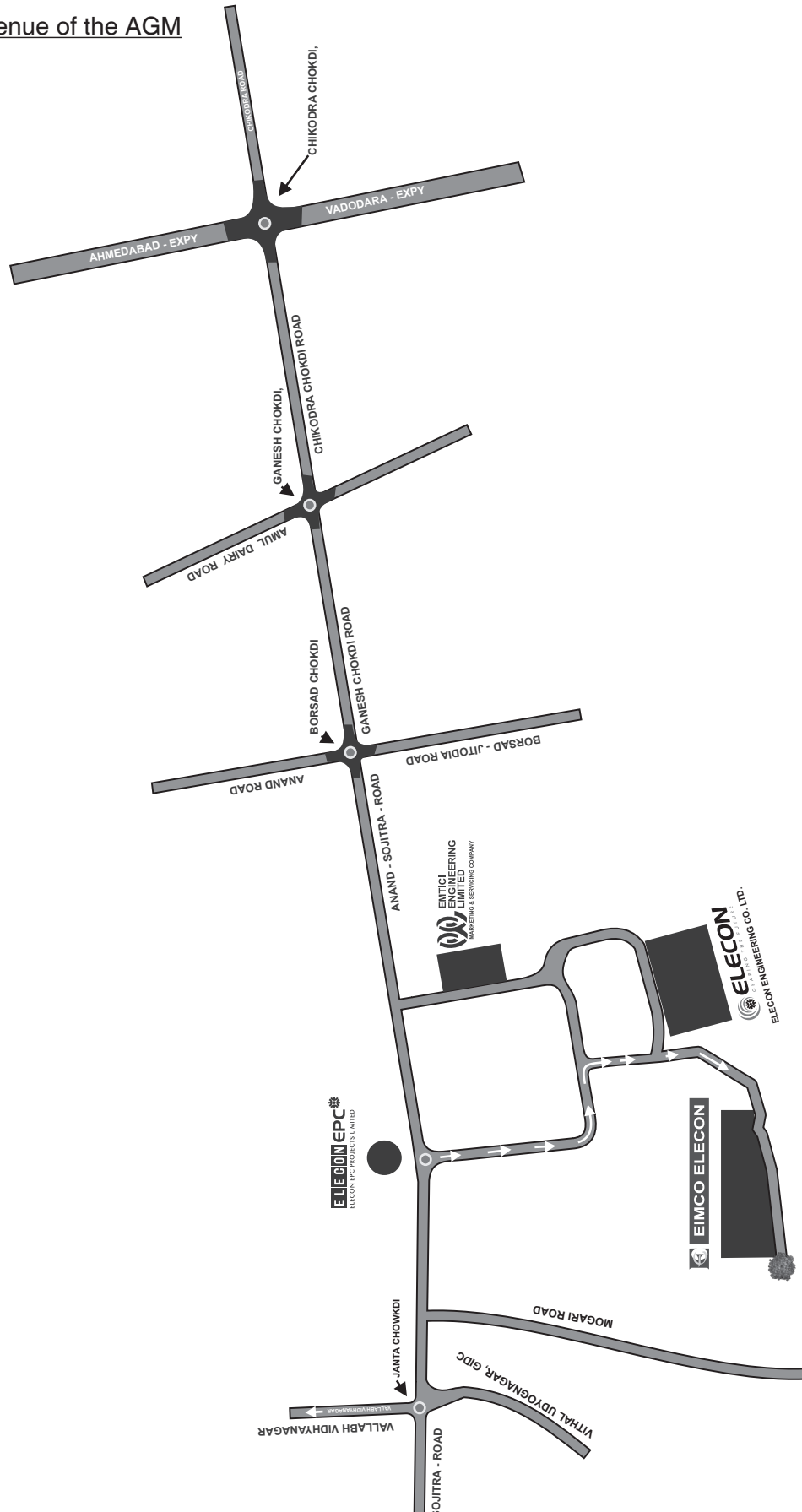
N. D. Shelat

(Company Secretary & CFO)

Vallabh Vidyannagar : 1st May, 2015



Route map to the venue of the AGM



Eimco Elecon (India) Ltd.
 CIN : L29199GJ1974PLC002574
 Regd. Office : Anand Sojitra Road, Vallabh Vidyanagar - 388 120, Dist. Anand, Gujarat.

ATTENDANCE SLIP
 41st ANNUAL GENERAL MEETING
 on Thursday
 13th August 2015
 at 4.30 p.m.
 at the Regd. Office
 at Vallabh Vidyanagar-388120.
 Dist. Anand, Gujarat.

| |
|-----------------------------|
| Folio No./Client ID & DP ID |
|-----------------------------|

* A member/proxy wishing to attend the meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
 * If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.
 * Please bring copy of the Annual Report to the Meeting.

I record my presence at the
 41st Annual General Meeting

Name of Proxy in BLOCK LETTERS
 (IF the proxy attends instead of the Member)

Signature of Member/Proxy

FORM NO. MGT-11
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) Ltd.
 Regd. Office : Anand-Sojitra Road, Vallabh Vidyanagar, Dist. Anand, Gujarat.

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 41st Annual General Meeting of the Company, to be held on Thursday, the 13th August 2015 at 04.30 p.m. at the Registered Office of the company at Vallabh Vidyanagar, Dist. Anand, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below :

- | |
|---|
| <ol style="list-style-type: none"> Adoption of Audited Financial Statements of the Company for the Financial Year ended 31-3-2015 together with the Report of the Board of Directors and Auditors thereon. Declaration of Dividend for the Financial Year ended 31-03-2015. Appointment of a Director in place of Mr. P. M. Patel, who retires by rotation and being eligible, offers himself for re-appointment. Appointment of M/s. Talati & Talati, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration. Appointment of Mrs. Manjuladevi Shroff as an Independent Director of the Company. Change in remuneration payable to Wholetime Director of the Company. To ratify remuneration to M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for F.Y. 2015-16. Approval of Related Party Transactions. |
|---|

Signed this _____ day of _____ 2015
 Signature of shareholder(s) : _____
 Signature of Proxy holder(s) : _____



Notes : 1. 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.
 2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 41st Annual General Meeting.

BOOK - POST

IF UNDELIVERED PLEASE RETURN TO :

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