Eim/Sec/SE
3rd August, 2017

Manager (Listing) **Bombay Stock Exchange Ltd.** Mumbai **Company Code 523708**	Manager (Listing) **National Stock Exchange of India Ltd.** Mumbai **Symbol EIMCOELECO - Series EQ**

Sub.: Submission of Annual Report - 43rd AGM- 2016-17

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting Annual Report for the financial year 2016-17 of the Company.

Please note that these annual accounts and other reports have been adopted by the Shareholders at their 43rd Annual General Meeting held on 2nd August, 2017.

Kindly take the same on record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Eimco Elecon (India) Ltd.,

Bharti L. Isarani
Company Secretary & Compliance Officer

Encl.: As above

EIMCO ELECON (INDIA) LIMITED

ANNUAL REPORT
2016-2017


TPM

AWARD FOR TPM EXCELLENCE
CATEGORY A - 2016

EIMCO ELECON (INDIA) LIMITED

This is to certify that your organization has achieved a most effective production system. Your implementation of TPM activities has brought about remarkable results in productivity, product quality, cost reduction and company culture improvement. We hereby present this AWARD FOR TPM EXCELLENCE, CATEGORY A for Year 2016 in recognition of the efforts and contributions made by those who are concerned and honor your organization's outstanding achievements.

Approval Date: January 31, 2017
Certificate No.: 16EA005018

S. Tsuchiya
Chairman Dr. SOUHIROU TSUCHIYA
JIPM
Japan Institute of Plant Maintenance

TPM AWARD

TPM (Total Productive Maintenance) is Japanese approach for maximising production system effectiveness. Eimco Elecon (India) Limited adopted TPM in August, 2012. After two assessments by assessors from JIPM (Japan Institute of Plant Maintenance), Eimco Elecon (India) Limited was coveted with "TPM Excellence Award for the year 2016". This is very prestigious award and very few companies in Gujarat State have received it so far.

BOARD OF DIRECTORS

Shri P. M. Patel	-	Chairman
Shri P. B. Patel	-	Executive Director
Shri P. C. Amin Shri Nirmal Bhogilal Shri Nalin M. Shah Smt. Manjuladevi Shroff Ms. Reena Bhagwati	-	Directors
Shri M. G. Rao	-	Whole-time Director

CHIEF FINANCIAL OFFICER

Shri Nilesh D. Shelat

COMPANY SECRETARY

Smt. Bharti L. Isarani

AUDITORS

Messrs Talati & Talati
Chartered Accountants
Ahmedabad

BANKERS

State Bank of India
Anand

REGD. OFFICE & WORKS

Anand-Sojitra Road,
Vallabh Vidyanagar
Gujarat - 388 120.

REGISTRAR & SHARE TRANSFER AGENTS

Mumbai Office

Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (W)
Mumbai - 400 083.

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.

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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 43rd Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be convened on Wednesday, the 2nd August, 2017 at 02.30 p.m. at the Registered Office of the Company at Vallabh Vidyanagar 388 120, Gujarat State to transact following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended on 31st March, 2017 and the Reports of the Board of Directors & Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri P. M. Patel (DIN 00012138) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company hereby approves the appointment of M/s. Thacker Butala Desai, Chartered Accountants, (Registration No. 110864W), as Statutory Auditors of the Company to hold office for a period of 5 (Five) years from the conclusion of ensuing 43rd Annual General Meeting of the Company until the conclusion of 48th Annual General Meeting to be held for the financial year 2021-22 on such remuneration plus Service tax at the applicable rate, from time to time, plus travelling and out-of-pocket expenses incurred by them for the purpose of audit of the Company's accounts; exclusive of any remuneration, fees or charges payable to them for rendering any other services that may be rendered by them to the Company from time to time other than in the capacity of Auditors, as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197,198,203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for the appointment of Shri Prayasvin B. Patel (holding DIN-00037394) as an Executive Director of the Company for a period of Five years with effect from 9th November, 2016, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with a liberty and power to the Board of Directors of the Company (including its Committee constituted for the purpose) to grant increments and to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Shri Prayasvin B. Patel.

   RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year in the event of inadequacy or absence of profits, Shri Prayasvin B. Patel, be paid the remuneration as set out in the Draft Agreement to be entered into between the company and Shri Prayasvin B. Patel, as the Minimum Remuneration subject to the limits laid down in Schedule V to the Companies Act, 2013 and other provisions or any amendments, variations, modifications or re-enactment thereof.

   RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Shri Prayasvin B. Patel within such prescribed limit or ceiling and as agreed by and between the Company and Shri Prayasvin B. Patel without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Reena Bhagwati (holding DIN 00096280) who was appointed by Board of Directors as Additional Director of the Company for a period of Five years with effect from 9th November, 2016 pursuant to Section 161 of the Companies Act, 2013, and who holds office as such upto the date of the Annual General Meeting and who has submitted a declaration that she meets the criteria for Independent Director 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."

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 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 2017 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 2018, amounting to ₹ 32,000/- (Rupees thirty two thousand) plus Taxes as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board of Directors,

Registered Office:

Anand-Sojitra Road,
Vallabh Vidyanagar,
Gujarat - 388 120.

Bharti L. Isarani
Company Secretary

Date : 18th May, 2017

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 7 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 27th July, 2017 to 2nd August, 2017 (both days inclusive).

D. The payment of dividend on equity shares as recommended by the directors for the year ended on 31st March, 2017 when declared at the meeting will be paid:

   1. To those members whose names appear in the Register of Members of the Company on 27th July, 2017.

   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 26th July, 2017.

E. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on/ after 4th August, 2017.

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. The 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. The 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. The Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

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 Regulation 39(4) read with Schedule VI of the Listing Regulations, 2015 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 1st April, 2016.	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 31st March, 2017.	24	1450

By Order of the Board of Directors,

Registered Office:

Anand-Sojitra Road,
Vallabh Vidyanagar,
Gujarat - 388 120.

Bharti L. Isarani
Company Secretary

Date : 18th May, 2017

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

(i) The voting period begins on 30th July, 2017 at 09.00 a.m. and ends on 1st August, 2017 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 26th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stickers, affixed on Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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) Shareholders can also use Mobile app – "m-Voting" for e-voting. m-Voting app is available on IOS, Android & Windows based Mobiles. Shareholders may log into m-voting using their e-voting credentials to vote for the company resolution(s).

(xx) 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.

(xxi) 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 30^{th} July, 2017 (09.00 a.m.) and ends on 1^{st} August, 2017 (05.00 p.m.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form, may caste their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is casted 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 atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and forward to the Chairman of the Company.

   The Results shall be declared on or after the Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www. eimcoelecon.in 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. Shri 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. 26^{th} July, 2017.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013

Item No.5

Looking to the vast experience and expertise, the Nomination & Remuneration Committee Meeting held on 4th November, 2016 recommended and the Board at its meeting held on 9th November, 2016 have appointed Shri Prayasvin B. Patel as an Executive Director of the Company subject to the approval of members in the General Meeting for five years with effect from 9th November, 2016 on the terms and conditions set out in the draft agreement to be entered into by the Company with him, copy of which is available for inspection to the Members at the Registered Office of the Company on working days except Sunday between 10.00 a.m. and 12.00 Noon till the date of Annual General Meeting. The brief particulars of his remuneration are as mentioned herein below:

1) The Executive Director shall be subject to the superintendence, control, and direction of the Board of Directors and he will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.

2) Period of Appointment : five years with effect from 9th November, 2016.

3) Remuneration payable to Shri P. B. Patel -

   (a) Basic Salary : ₹ 5,00,000/- per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

   (b) Commission :- Such amount of the Annual Commission which in aggregate to his remuneration shall not exceed 5% of the Net Profit as computed under Section 198 of the Companies Act, 2013 or rules made thereunder (with any amendments thereunder)

   (c) Perquisites and allowances:

      (i) In addition to above, he shall also be entitled to perquisites and allowances like Rent-free furnished accommodation, expenditure incurred by the Company on gas, electricity, water and furnishing to be valued as per the Income Tax Rules.

      (ii) Provident Fund and Gratuity on the fixed monthly salary in accordance to the Company's Rules.

      Leave encashment as per the rules of the Company.

      The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

      (iii) The company shall provide car with driver at the entire cost of the company for use on Company's business and the same will not be considered as perquisite.

      (iv) The company shall provide telephone and other communication facilities at the residence for use on company's business and the same will not be considered as perquisite.

   (d) The Executive Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

   (e) Minimum Remuneration: Notwithstanding anything herein contained, where in any financial year during the currency of tenure of the Executive Director, the Company has no profits or the profits are inadequate, the Company will pay remuneration by way of salary and perquisites as stated above but shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013 and other provisions thereof or any amendments, variations, modifications or reenactment.

   The Board of Directors recommends passing of the resolution set out at Item No. 5 of the Notice convening the Meeting.

   He holds by himself 17,796 shares in the Company. He is also the Chairman & Managing Director in Elecon Engineering Co. Ltd.

   Except Shri Prayasvin B. Patel, being an appointee, and Shri Pradip M. Patel being his relative; 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 Shri Prayasvin B. Patel is attached to the notice.

Item No.6

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder, the Board has, appointed Ms. Reena P. Bhagwati (DIN 00096280) as an Additional Director (Independent Director) with effect from 9th November, 2016. 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 alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Reena P. Bhagwati as a Non-Executive Independent Director of the Company.

The Nomination & Remuneration Committee at its meeting held on 4th November, 2016 has recommended and the Board at its meeting held on 9th November, 2016 has approved the appointment of Ms. Reena P. Bhagwati as an Independent Director as per her letter of appointment for a period of five years from the ensuing Annual General Meeting subject to approval of members.

Ms. Reena P. Bhagwati 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 a Non-Executive Independent Director is now being placed before the Members for their approval.

The terms and conditions of the appointment of Ms. Reena P. Bhagwati as an Independent Director of the Company shall be opened for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays between 10.00 a.m. to 12.00 noon 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 Ms. Reena P. Bhagwati, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

A brief profile of Ms. Reena P. Bhagwati is attached to the notice.

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 31st March, 2018 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 Companies Act, 2013 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.

None of the Directors or Key Managerial Personnel and their relatives is interested or concerned in the said Resolution except to the extent of their shareholding in the Company.

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.

(Pursuant to SEBI (LODR) Regulations, 2015)

Name of Director	**Shri Pradip M. Patel**
Date of Birth	5th November, 1947
Date of Appointment	11th January, 1996
DIN	00012138
Nationality	British
Expertise in specific Functional areas	Associated with the Bearing Industry for over three decades. Joined ABC Bearing Ltd. on 7th September, 1973. Director in ABC Bearings Ltd. since 1st August, 1976. Managing Director of ABC Bearings Ltd. since 1st August, 1981.
Qualifications	M.B.A. (USA)
List of Public/Private Companies in which outside Directorship held as on 31st March, 2017.	- ABC Bearings Ltd. - Eimco Elecon (India) Ltd. - Elecon Engineering Company Ltd. - Emtici Engineering Ltd. - Power Build Pvt. Ltd. - Manoway Investment Pvt. Ltd. - Ziwani Properties Pvt. Ltd. - Mipco Investments Pvt. Ltd. - Maple Investments Co. Pvt. Ltd. - Emsons Leasing Co. Pvt. Ltd. - Taveta Properties Pvt. Ltd. - Tech Elecon Pvt. Ltd. - Elecon Hydraulics Pvt. Ltd. - Aakaaish Investments Pvt. Ltd. - Vijay M. Mistry Construction Pvt. Ltd.
Chairman/Member of the Committees of the Public Companies on which he is a Director as on 31st March 2017.	**- ABC Bearings Limited** -Stakeholders' Relationship Committee - Member **- Eimco Elecon (India) Limited** - Audit Committee - Member - Stakeholders' Relationship Committee- Member **- Elecon Engineering Company Limited** - Audit Committee - Member - Stakeholders' Relationship Committee- Member
No. of Shares held	NIL
Relationship with any Director of the Company	Sister of Shri Prayasvin B. Patel, Executive Director has married to Shri Pradip M. Patel

Name of Director	Shri Prayasvin B. Patel
Date of Birth	3rd April 1958
Date of Appointment	9th November, 2016
DIN	00037394
Nationality	Indian
Expertise in specific Functional areas	Chairman and Managing Director in Elecon Engg. Co. Ltd. with vast knowledge in material handling equipments, earth moving equipments and Gears.
Qualifications	B.E. (Mech.), M.B.A. (USA)
List of Public/Private Companies in which outside Directorship held as on 31st March, 2017.	- Elecon Engineering Co. Ltd. - Eimco Elecon (India) Ltd. - Emtici Engineering Ltd. - Prayas Engineering Ltd. - Elecon Peripherals Ltd. - Elecon Information Technology Ltd. - Akaaish Mechatronics Ltd. - Eimco Elecon Electricals Ltd. - Madhuban Prayas Resorts Ltd. - Kirloskar Power Build Gears Ltd. - K. B. Investments Pvt. Ltd. - Bipra Investments Pvt. Ltd. - Devkishan Investments Pvt. Ltd. - Jamko Consultants Pvt. Ltd. - Tech Elecon Pvt. Ltd. - Akaaish Investments Pvt. Ltd. - Power Build Pvt. Ltd. - Elecon Hydraulics Pvt. Ltd. - Aishpra Properties Pvt. Ltd. - Akaaipra Infracon Pvt. Ltd. - BIP Buildcon Pvt. Ltd. - Madhuban Heights Pvt. Ltd. - MTC Buildcon Pvt. Ltd. - Vijay M. Mistry Construction Pvt. Ltd.
Chairman/Member of the Committees of the Public Companies on which he is a Director as on 31st March 2017.	NIL
No. of Shares held	17796
Relationship with any Director of the Company	Sister of Shri Prayasvin B. Patel, Executive Director has married to Shri Pradip M. Patel

Name of Director	Ms. Reena P. Bhagwati
Date of Birth	26th August, 1966
Date of Appointment	9th November, 2016
DIN	00096280
Nationality	Indian
Expertise in specific Functional areas	Ms. Reena P. Bhagwati is the Owner and Director in various Companies of the Bhagwati group - Bhagwati Autocast Ltd., Bhagwati Spherocast Private Limited and Bhagwati Filters Private Limited. She plays an active role in the day to day Management of the companies. She served as President of Indian Institute of Foundrymen in 2013-14. She served as the Chairperson of the Confederation of Indian Industry (CII) Gujarat State Council in 2016-17. She is a member of the Governing Body of Ahmedabad Management Association, premier management association of Gujarat, Part of the All India Management Association.
Qualifications	M.B.A. (USA)
List of Public/Private Companies in which outside Directorship held as on 31st March, 2017.	- Bhagwati Autocast Ltd. - Eimco Elecon (India) Ltd. - Bhagwati Filters Private Ltd. - Ved Skills Academy Private Ltd. - Bhagwati Spherocast Private Ltd.
Chairman/Member of the Committees of the Public Companies on which she is a Director as on 31st March, 2017.	**- Bhagwati Autocast Limited** - Audit Committee - Member - Stakeholders' Relationship Committee - Member
No. of Shares held	NIL
Relationship with any Director of the Company	NIL

By Order of the Board of Directors,

Registered Office:

Anand-Sojitra Road,
Vallabh Vidyanagar,
Gujarat - 388 120.

Bharti L. Isarani
Company Secretary

Date : 18th May, 2017

BOARD'S REPORT

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

The Directors take pleasure in presenting the 43rd Annual Report together with the audited financial statements for the year ended on 31st March, 2017. The Management Discussion and Analysis has also been incorporated in this report.

1. HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to ₹ 198.88 crores as compared to ₹ 157.06 crores in the previous year. Profit Before Tax for the year was ₹ 29.79 crores as compared to ₹ 23.63 crores in the previous year. Profit After Tax for the year was ₹ 25.09 crores as compared to ₹ 17.45 crores in the previous year.

2. FINANCIAL RESULTS

(₹ in Lakhs)

	31-03-2017 Standalone	31-03-2016 Standalone	**31-03-2017** Consolidated
Profit Before Tax	**2979.19**	2363.23	**2941.70**
Less: Tax Expense	**470.09**	617.24	**470.09**
PROFIT AFTER TAX	**2509.10**	**1745.99**	**2471.61**
Add: Balance brought forward from last year	**4321.69**	4225.31	**4729.57**
Other Comprehensive Income	**(14.36)**	(2.14)	**(14.36)**
Share in Associate (on sale of investment)	**-**	-	**(53.81)**
Total	**6816.43**	**5969.16**	**7133.01**
APPROPRIATED AS			
Dividend	**288.42**	288.42	**288.42**
Tax on Distributed Profit	**58.72**	59.05	**58.72**
Transfer to General Reserve	**1500.00**	1300.00	**1500.00**
Balance Carried Forward	**4969.29**	4321.69	**5285.87**
Total	**6816.43**	**5969.16**	**7133.01**

3. DIVIDEND

Your directors recommend for your consideration a dividend of ₹ 5/- (previous year ₹ 5/-) per share of ₹ 10/- each for the year ended on 31st March, 2017.

4. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has neither subsidiary nor Joint Venture Company.

Associate Company :

<u>Eimco Elecon Electricals Limited</u>

Your Company holds 47.62% of the Equity Shares of Eimco Elecon Electricals Ltd. The Profit After Tax for the year ended on 31st March, 2017 was ₹ (78.72) Lakhs as against ₹ 83.64 Lakhs for the year ended on 31st March, 2016.

5. SALE OF INVESTMENT IN WIZARD FINCAP LIMITED:-

During the year under review, the Company has sold its Investment of 24.95% of Equity Shares of Wizard Fincap Ltd. at ₹ 84.87 per share. Hence, Wizard Fincap Limited is no longer an Associate Company of your Company.

6. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was ₹ 5.76 crores. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

7. FINANCE

Your Company continues 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.

8. 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.

9. FIXED DEPOSITS

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

10. DIRECTORS

Sad Demise

Shri H. S. Parikh, one of the Senior most Directors on the Board expired on 12th May 2016. The Board placed on record its sincere appreciation for all guidance and support provided by Shri H. S. Parikh during his tenure with the Company.

Retire by Rotation

Shri Pradip M. Patel retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

New Appointment:

Ms. Reena Bhagwati has been appointed as an Additional (Independent) Director with effect from 9th November, 2016. She holds office upto the date of the ensuing Annual General Meeting of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years and not be liable to retire by rotation. Accordingly, Ms. Reena P. Bhagwati 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 liable to retire by rotation.

The Board welcomes Ms. Reena P. Bhagwati and considers it an advantage to the Company to benefit from her experience and knowledge.

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

Statutory Declarations / Disclosures by Directors

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 as per SEBI (LODR) Regulations, 2015.

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 SEBI (LODR) Regulations, 2015.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2017. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom.
2. They have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date.
3. They have taken proper and sufficient care 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. They have prepared the annual accounts on a going concern basis;
5. They have laid internal financial controls to be followed by the Company and that such Internal financial controls are adequate and were operating effectively during the year ended on 31st March, 2017 and;
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and. operating effectively during the year ended on 31st March, 2017.

12. KEY MANAGERIAL PERSONNEL

Appointment of Executive Directors

Shri Prayasvin B. Patel has been appointed as an Executive Director of the Company with effect from 9th November, 2016 for five years.

Shri M. G. Rao has been re-appointed as a Whole -time Director of the Company with effect from 8th Septmber, 2016 for three years.

Appointment of Chief Financial Officer

Shri Nilesh D. Shelat has been appointed as the CFO of the Company w.e.f. 1st September, 2016.

Change in Company Secretary

Shri Nilesh D. Shelat had resigned from the office of the Company Secretary w.e.f. the closing business hours of 31st August, 2016. Your Directors place on record their sincere appreciation for the valuable contributions made by him.

Smt. Bharti Isarani has been appointed as a Company Secretary of the Company from 1st September, 2016.

The Board welcomes all the KMPs of the Company.

13.1 AUDIT COMMITTEE

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

Shri Nalin Shah (Chairman)

Shri Nirmal Bhogilal (Member)

Shri P. M. Patel (Member)

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

13.2 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and notifications/ circulars of SEBI, 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.

13.3 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 attached as **Annexure "H"**.

13.4 MEETINGS

During the year, four Board Meetings and four 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.

14. 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 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. The weblink of the policy is https://eimcoelecon.in/wp-content/uploads/2012/11/Related-Party-Policy-EIMCO.pdf

15. 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'.**

16. 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.

17. 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.

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

19. 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 at following web-link- https://eimcoelecon.in/wp-content/uploads/2012/11/Whistle-Blower-Policy-EIMCO.pdf

20. 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 Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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.

21. 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 Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the **Annexure 'C'** to the Directors' Report.

22. 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.

23. AUDITORS

Messrs Talati & Talati, Chartered Accountants, Statutory Auditors were appointed for a period of two years at the 41st Annual General Meeting subject to ratification of their appointment every year. However, pursuant to the provisions of Section 139 of the Companies Act, 2013; their term is going to be completed at the conclusion of ensuing Annual General Meeting.

Your Directors have proposed Messrs Thacker Butala Desai, Chartered Accountants, Navsari as Statutory Auditors of your company for five years from the conclusion of ensuing 43rd Annual General Meeting subject to the ratification every year by the members at their Annual General Meeting.

24. 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 on 31st March, 2018 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., Cost Auditors is included at Item No. 7 of the Notice convening the Annual General Meeting.

25. 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'**.

26. 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'.**

27. INSURANCE

The Company takes a very pragmatic approach towards insurance. Adequate insurance cover has been taken for all movable and immovable assets for various types of risks.

28. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

29. RISK MANAGEMENT

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.

30. DISCLOSURE UNDER THE SEXUAL HARRASSMENT 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 2016-17 :

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

31. 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,

M. G. Rao
Whole-time Director

P. C. Amin
Director

Place : Vallabh Vidyanagar
Date : 18th May, 2017

ANNEXURE - 'A' TO BOARD'S REPORT - ITEM NO.15

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:- https://eimcoelecon.in/wp-content/uploads/2012/11/CSR-POLICY-EIMCO2.pdf

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

   Shri H. S. Parikh (upto 12-05-2016) - Chairman
   Shri P. M. Patel - Chairman
   Shri P. C. Amin - Member
   Smt. Manjuladevi Shroff - Member

   *Due to sad demise of Shri H. S. Parikh, Shri P. M. Patel and Smt. Manjuladevi Shroff were appointed as a Chairman & Member respectively w.e.f. 25th July, 2016.

3. **Average net profit of the Company for last three Financial Years** ₹ 2685.07 lakhs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)** ₹ 53.70 lakhs
5. **Details of CSR spend for the financial year:**
   a. Total amount spent for the financial year: ₹ 54.00 lakhs
   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	Location Districts (State)	Amt. Outlay (Budget) Project or Program wise	Amt. Spent on projects or programmes (₹ in lakhs)	Cumulative Expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency (₹ in lakhs)
1.	Anupam Mission	Education	Mogri Dist : Anand State : Gujarat	-	41.40	41.40	Direct-41.40
2.	St. Xavier's High School	Education	Jitodia Dist : Anand State : Gujarat	-	12.60	12.60	Direct-12.60

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,

M.G. Rao
Whole-time Director

P.C. Amin
Director

P. M. Patel
Chairman of CSR Committee

Place : Vallabh Vidyanagar
Date : 18th May, 2017

Corporate Governance Report

ANNEXURE ‘B’ TO THE BOARD’S REPORT - ITEM NO.20

A. MANDATORY REQUIREMENTS

Company’s philosophy

Pursuant to the practice of the Good Corporate Governance, your Company is committed to meet the aspirations of all our stakeholders and believes in adopting the best corporate practices for ethical conduct of business.

Your Company continues to maintain its industry leadership, by pursuing excellence in everything it does including standards of business conduct. The Company’s philosophy on Corporate Governance emanates from the principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

The Company is committed to good Corporate Governance. The mandatory requirements of SEBI (LODR) Regulations, 2015 have been fully implemented by your Company. The Company firmly believes in the rights of its stakeholders for information regarding the Company’s business and financial performance.

Board of Directors (the Board)

Composition of the Board as on 31st March, 2017

Category	No. of Directors
Independent Directors	4
Executive Directors	2
Non-Executive Director	1
#Nominee Director	1
Total	**8**

Elecon Engineering Company Ltd. being the equity investor has nominated Shri P. C. Amin on the Board of Directors of the Company.

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

Shri P. M. Patel, Chairman

Shri P. M. Patel was appointed as Director from 11th January,1996. Shri P. M. Patel is M.B.A. (USA). He is associated with Bearing Industry. Shri P. M. Patel is a member of the Audit, Nomination and Remuneration, Stakeholders’ Relationship Committees and Chairman in Corporate Social Responsibility & Risk Management Committees of the Board. He is a relative of Shri P. B. Patel.

Shri P. B. Patel, Executive Director

Shri P. B. Patel is one of the promoters of the company and has been appointed as Executive Director of the company with effect from 9th November 2016. He is M.B.A. (USA). He is Chairman and Managing Director of Elecon Engineering Co. Ltd. He has more than 35 years of experience in top management. He is a relative of Shri P. M. Patel.

Shri Nalin Shah, Independent Director

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

Shri Nirmal Bhogilal, Independent Director

Shri Nirmal Bhogilal was appointed as Director with effect from 23rd September, 2011. Shri 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. Shri Nirmal Bhogilal is a Member in Audit and Nomination & Remuneration Committees.

Smt. Manjuladevi Shroff, Independent Director

Smt. 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. She is a Member of Corporate Social Responsibility Committee of the Board.

Ms. Reena Bhagwati, Independent Director

Ms. Reena Bhagwati is Managing Director of Bhagwati Autocast Ltd. and has very vast experience in management field. She is M.B.A. from USA. She has been appointed as an Additional Director on the Board with effect from 9th November, 2016.

Shri P. C. Amin, Non-Independent Director

Shri P. C. Amin was appointed as Director from 25th October, 2007. During the year, he was appointed as a Nominee Director Elecon Engineering Company Ltd. w.e.f. 9th November, 2016. He holds Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani. He is a Chairman in Stakeholders’ Relationship and Member in CSR and Risk Management Committees.

Shri M. G. Rao, Whole-time Director

Shri M. G. Rao was appointed as Whole-time Director from 8th September, 2011. Shri M. G. Rao is M.E. (Welding). He has more than 37 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 an agenda item is price sensitive in 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.

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 approved 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 and Rules made thereunder as well as per the Secretarial Standards.

(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 quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS

During the year 2016-17, four (4) Board Meetings were held i.e. On 27th April, 2016; 25th July, 2016; 9th November, 2016 and 7th February, 2017 and the gap between two Board meetings was well within the limit as prescribed by the Companies Act, 2013 and that of the applicable Secretarial Standards.

The necessary quorum was present in all the meetings. Leave of absence was granted to concerned Directors who could not attend the respective Board Meetings.

The details of Attendance of Directors at the Board Meetings and last Annual General Meeting are as under:-

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attendance at AGM held on 25th July, 2016	No. of other Directorships in other companies (excluding Directorships in foreign and private companies)	No of Committee position held in other public companies*	
						Member	Chairman
1.	Shri P. M. Patel	NED(P)	4	Yes	3	3	-
2.	Shri P. B. Patel (w.e.f. 9-11-2016)	ED(P)	2	-	9	-	-
3.	Shri Nalin Shah	NED(I)	4	Yes	8	5	3
4.	Shri Nirmal Bhogilal	NED(I)	3	Yes	3	1	-
5.	Shri P. C. Amin	NED(P)	4	Yes	8	-	-
6.	Smt. Manjuladevi Shroff	NED(I)	3	No	5	1	-
7.	Ms. Reena Bhagwati (w.e.f 9-11-2016)	NED(I)	0	-	1	-	-
8.	Shri M.G. Rao	WTD	4	Yes	1	-	-

Notes :

1. * The Directorship held by the Directors, as mentioned above, excludes directorship in the Company, alternate directorships, directorships in foreign companies, companies under Section 8 of the Companies Act, 2013 and private companies which are not the subsidiaries of Public Limited Companies.
2. In above table, represents membership / Chairmanship of two Committees only viz. Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI (LODR) Regulations, 2015.

NED(P) - Non-Executive (Promoter)

ED (P) - Executive Director (Promoter)

NED(I) - Non-Executive (Independent)

WTD - Whole-time Director

Personal Shareholding of Non-Executive Directors is as follows :

No. of Equity shares as at the year end.

Shri P. M. Patel	Nil	Shri Nirmal Bhogilal	Nil
Shri P. C. Amin	1275 shares	Smt. Manjuladevi Shroff	Nil
Shri Nalin Shah	Nil	Ms. Reena Bhagwati	Nil

Disclosure regarding Directors retiring by rotation and being re-appointed:

Shri Pradip M. Patel, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief Profile of Shri Pradip M. Patel, Director retiring by rotation eligible for re-appointment at the ensuing Annual General Meeting of the Company is given in the Notice of Annual General Meeting, annexed to this Annual Report.

Appointment of Independent Director

As per Section 149 of the Companies Act, 2013, resolutions have been proposed for the appointment of Ms. Reena Bhagwati, as an Independent Director, not liable to retire by rotation, at ensuing Annual General Meeting.

Brief profile of the director is attached to the notice. The terms and conditions for appointment of all the Independent Directors is disclosed on the website of the Company. The weblink of the same is :- https://eimcoelecon.in/wp-content/uploads/2012/11/Terms-Conditions-of-appointment-of-Independent-Directors.pdf

AUDIT COMMITTEE

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them.

The composition of the Audit Committee is as under:

Name of Members	Designation	Category
Shri Nalin Shah	Chairman	NED(I)
Shri P. M. Patel	Member	NED(P)
Shri Nirmal Bhogilal	Member	NED(I)
* Shri H. S. Parikh (upto 12-5-2016)	Member	NED(I)

* There was a sad demise of Shri H. S. Parikh.

Meetings and attendance during the year :

Members	Attendance at Committee Meeting held on			
	27th April, 2016	25th July, 2016	4th November, 2016	7th February, 2017
Shri Nalin Shah	Yes	Yes	Yes	Yes
Shri P. M. Patel	Yes	Yes	Yes	Yes
Shri Nirmal Bhogilal	Yes	Yes	Yes	Yes
Shri H. S. Parikh (upto 12-5-2016)	Yes	-	-	-

The Whole-time Director, Executive Director, Company Secretary, CFO, Internal Auditors and Statutory Auditors are permanent invitees to the Meetings, who have attended and participated in the meetings.

NOMINATION & REMUNERATION COMMITTEE

In compliance with the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015; the Board of Directors has constituted the "Nomination and Remuneration Committee" in its meeting. The Company has formulated the Nomination and Remuneration Policy, which was approved by the Nomination and Remuneration Committee followed by the approval of the Board of Directors.

Nomination and Remuneration Committee has been constituted to recommend the remuneration package of Directors and KMPs based on the performance and defined criteria.

Terms of reference of Nomination and Remuneration Committee are as under:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

Name of Members	Designation	Category
*Shri H. S. Parikh (upto 12-5-2016)	Chairman	NED(I)
*Shri Nalin Shah (w.e.f. 25-07-2016)	Chairman	NED(I)
Shri P. M. Patel	Member	NED(P)
Shri Nirmal Bhogilal	Member	NED(I)

* Due to sad demise of Shri H. S. Parikh, Shri Nalin Shah was appointed as a Chairman of the Committee w.e.f. 25th July, 2016.

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	27th April, 2016	25th July, 2016	4th November, 2016	7th February, 2017
Shri H.S. Parikh (upto 12-05-2016)	Yes	-	-	-
Shri Nalin Shah (w.e.f. 25-07-2016)	-	Yes	Yes	Yes
Shri P. M. Patel	Yes	Yes	Yes	Yes
Shri Nirmal Bhogilal	Yes	Yes	Yes	Yes

The Whole-time Director, Executive Director, Company Secretary and CFO are permanent invitees to the Meetings, who have attended and participated in the meetings.

(Amount in ₹)

The details of remuneration paid to the **Executive Directors** are as under :

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Shri M. G. Rao Whole-time Director	73,67,556	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	Nil	86,99,368	3 years from 8th September, 2016
Shri P. B. Patel, Executive Director	2,66,667		Nil	2,66,667	5 years from 9th November, 2016

There is no payment towards, Stock Options, Pension or any other to above said Executive Directors.

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

Name	Sitting Fees		Commission	Total (₹)
	Board Meeting	Committee Meeting		
Shri P. M. Patel	1,00,000	1,60,000	2,50,000	5,10,000
Shri H. S. Parikh	25,000	42,500	2,50,000	3,17,500
Shri P. C. Amin	1,00,000	25,000	2,50,000	3,75,000
Shri Nalin Shah	1,00,000	1,22,500	2,50,000	4,72,500
Shri Nirmal Bhogilal	75,000	1,30,000	2,50,000	4,55,000
Smt. Manjuladevi Shroff	75,000	Nil	2,50,000	3,25,000
Ms. Reena Bhagwati	Nil	Nil	Nil	Nil

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee of the Company consists of following Members:

Name of Members	Designation	Category
* Shri H.S. Parikh (upto 12-5-2016)	Chairman	NED(I)
Shri P. C. Amin (w.e.f. 25-07-2016)	Chairman	NED(P)
Shri P. M. Patel	Member	NED(P)
Shri N. D. Shelat	Member	CFO

* Due to sad demise of Shri H.S. Parikh, Shri P.C. Amin was appointed as a Chairman of the Committee w.e.f. 25th July, 2016.

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	27th April, 2016	25th July, 2016	9th November, 2016	7th February, 2017
Shri H. S. Parikh (upto 12-05-2016)	Yes	-	-	-
Shri P. C. Amin (w.e.f. 25-07-2016)	-	Yes	Yes	Yes
Shri P. M. Patel	Yes	Yes	Yes	Yes
Shri N. D. Shelat	Yes	Yes	Yes	Yes

The Company Secretary of the Company acts as a Secretary of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted as per Section 135 of the Companies Act, 2013 and rules made thereunder.

The composition of the Corporate Social Responsibility Committee is as under:

Name of Members	Designation	Category
* Shri H. S. Parikh (upto 12-5-2016)	Chairman	NED(I)
Shri P. M. Patel (w.e.f. 25-7-2016)	Chairman	NED(P)
Shri P. C. Amin	Member	NED(P)
Smt. Manjuladevi Shroff (w.e.f. 25-7-2016)	Member	NED(I)

* Due to sad demise of Shri H. S. Parikh, Smt. Manjuladevi Shroff was appointed as a Member of the Committee w.e.f. 25th July, 2016.

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on	
	27th April, 2016	7th February, 2017
* Shri H.S. Parikh (upto 12-5-2016)	Yes	-
Shri P. M. Patel	Yes	Yes
Shri P. C. Amin	Yes	Yes
Smt. Manjuladevi Shroff	-	-

The Company Secretary of the Company acts as a Secretary of the Committee.

RISK MANAGEMENT COMMITTEE

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

Name of the Members	Designation	Category
Shri P. M. Patel	Chairman	NED (P)
Shri P. C. Amin	Member	NED (P)
Shri M. G. Rao	Member	Whole-time Director
Shri Vijay Singh	Member	Executive
Shri N. D. Shelat	Member	Executive

The Company Secretary acts as a Secretary of the Meeting.

During the year under review, no meeting of the Risk Management was held.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 7th February, 2017, 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 SEBI (LODR) Regulations. 2015, 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 Whole-time Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about his/her legal and regulatory responsibilities as a Director. The Familiarization Programme for Independent Directors includes a detailed presentation by Business and Functional Heads, visit to the manufacturing site, etc. Weblink for the Policy for the Familiarisation Programme for Independent Directors - https://eimcoelecon.in/wp-content/uploads/2012/11/Familiarization_Programme.pdf

RELATED PARTY TRANSACTIONS

All transactions entered into with Related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's Length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link- https://eimcoelecon.in/wp-content/uploads/2012/11/Related-Party-Policy-EIMCO.pdf.

DISCLOSURES

Strictures and Penalties

Due to technical problem there was delay in filing Shareholding Pattern for the quarter ended on 31st March, 2015 and the Company has paid additional fee of ₹ 83,911/-, except this there was no additional payment made.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to 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//www.eimcoelecon.in. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended on 31st March, 2017.

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of SEBI (LODR) Regulations, 2015, 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 on 31st March, 2017.

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.

The Weblink for the Whistle Blower is https://eimcoelecon.in/wp-content/uploads/2012/11/Whistle-Blower-Policy-EIMCO.pdf

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
2015-2016	Registered Office at Vallabh Vidyanagar, Gujarat	25-07-2016	4.00 PM
2014-2015	-do-	13-08-2015	4.30 PM
2013-2014	-do-	05-08-2014	2.30 PM

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 2016-17.

CEO/CFO Certification

The Whole time Director/ CEO and the Chief Financial Officer of the Company have certified to the Board as required under Regulation 17(8) of SEBI (LODR) Regulations, 2015.

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), Jaihind (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 Board's Report

GENERAL SHAREHOLDER INFORMATION

i. AGM – date, time and venue — 2nd August, 2017 at 02.30 p.m.
at Regd. Office
Vallabh Vidyanagar - 388 120.

ii. Financial Year — 2016-17 (year ending on 31st March, 2017)

iii. Book Closure Date — 27th July, 2017 to 2nd August, 2017 (both days inclusive)

iv. Dividend Payment Date — Credit / Dispatch of dividend warrants on/after 4th August, 2017 but within 30 days of AGM

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
2009-2010	30th July, 2010	2nd August, 2010	29th July, 2017
2010-2011	2nd August, 2011	3rd August, 2011	1st August, 2018
2011-2012	30th July, 2012	2nd August, 2012	29th July, 2019
2012-2013	1st August, 2013	3rd August, 2013	31st July, 2020
2013-2014	5th August, 2014	7th August, 2014	4th August, 2021
2014-2015	13th August, 2015	17th August, 2015	12th August, 2022
2015-2016	25th July, 2016	28th July, 2016	24th July, 2023

vi. Listing on Stock Exchanges

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

<u>BSE Limited</u>

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

<u>The National Stock Exchange of India Limited</u>

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra - Kurla Complex Bandra (E)
Mumbai - 400 051.

The listing fee for the year 2016-17 for the above Stock Exchanges has been paid in time and the shares of the Company has been neither de-listed nor suspended from trading during the year under review.

vii. Stock Code

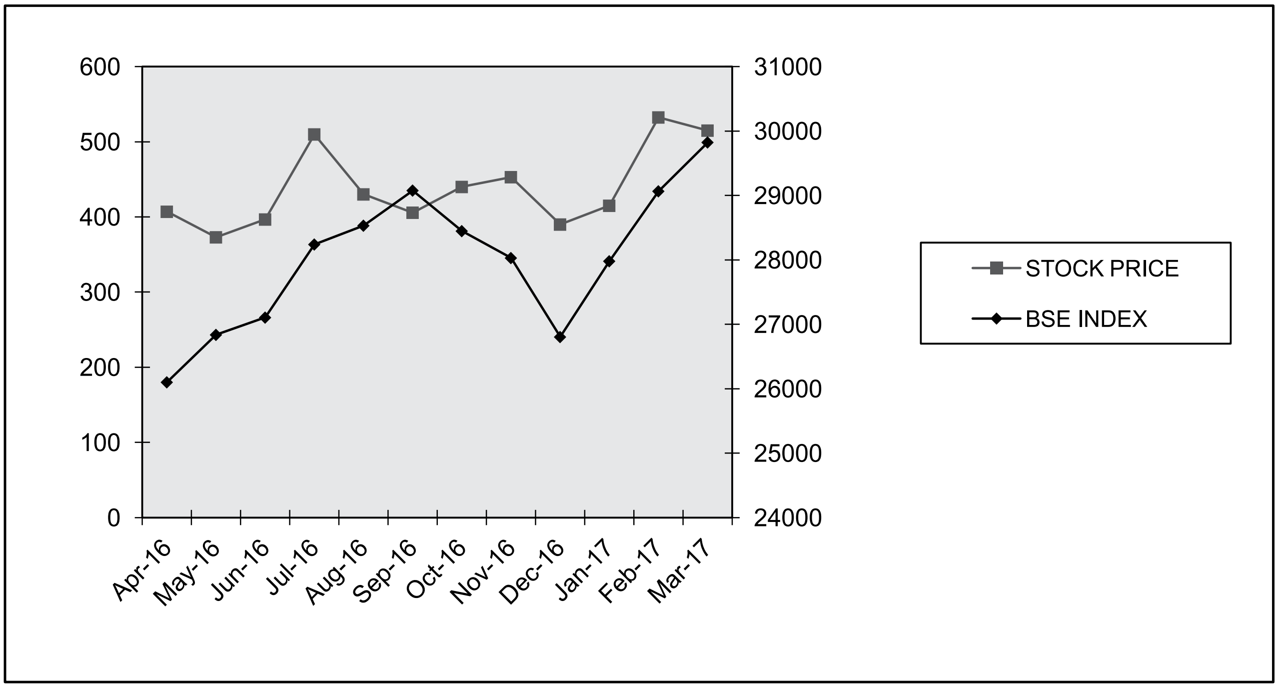
The Stock Code of Company's shares is as follows :

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. Stock 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 2016	407.00	315.00	54937	26100.54	24523.20	388.50	307.30	19181
May 2016	373.00	325.00	42838	26837.20	25057.93	380.00	325.00	18539
Jun 2016	396.70	340.10	13896	27105.41	25911.33	396.90	342.00	14999
Jul 2016	509.90	382.00	42903	28240.20	27034.14	508.00	387.00	68312
Aug 2016	430.10	373.00	10435	28532.25	27627.97	440.00	367.00	18905
Sep 2016	405.75	371.00	16675	29077.28	27716.78	408.75	356.75	16628
Oct 2016	440.00	384.50	11654	28477.65	27488.30	444.00	380.25	11109
Nov 2016	453.00	311.00	26775	28029.80	25717.93	441.00	329.20	25226
Dec 2016	390.00	336.00	15270	26803.76	25753.74	388.80	333.10	20355
Jan 2017	415.00	334.10	16991	27980.39	26447.06	420.00	336.00	15761
Feb 2017	532.50	372.10	69161	29065.31	27590.10	531.60	387.00	93544
Mar 2017	515.00	458.00	25008	29824.62	28716.21	515.95	449.45	37559

ix. Index graph



x. Share Transfer System

The Company's Shares are in compulsory Demat List and are transferable through the Depository System. Demat transfers as well as physical transfers are handled by M/s Link Intime India Pvt. Ltd. having its Registered Office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

During the financial year 2016-17, the Company and its Registrar & Transfer Agent has received -

No. of requests for Transfer	-	2
No. of requests for Duplicate share certificates issuance	-	4
Investors' complaints	-	Nil

All the above requests / transfers had been attended and there is no any investor grievance pending as on 31st March, 2017

xi. Distribution of shareholding as on 31st March, 2017:

Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of Shareholding
1-500	4867	93.8488	519268	9.0020
501-1000	145	2.7960	115206	1.9972
1001-2000	73	1.4076	104545	1.8124
2001-3000	27	0.5206	69846	1.2108
3001-4000	14	0.2700	49388	0.8562
4001-5000	20	0.3857	93257	1.6167
5001-10000	20	0.3857	142475	2.4699
10001 & above	20	0.3857	4674400	81.0348
Total	**5186**	**100.0000**	**5768385**	**100.0000**

xii. Shareholding Pattern as at 31st March, 2017

	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	177997	3.0857
b.	Indian Public	940543	16.3051
c.	Non-Resident Indians	19094	0.3310
d.	Any Other	82323	1.4272
	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, 2017, 97.96% (5650829 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

Name and Designation of the Compliance Officer:-
The shareholders may address their communications/suggestions/grievances to:-

Smt. Bharti Isarani
Company Secretary & Compliance Officer
Eimco Elecon (India) Ltd.
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Dist. Anand, Gujarat
Tel. No.:- +91 2692 230602 / 230502
Fax No.: +91 2692 236506
Email Address:- investor@eimcoelecon.in

xvii. Registrar & Share Transfer Agents

Mumbai Office :
M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (W),
Mumbai - 400 083.

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.
E-mail :- vadodara@linkintime.co.in
Tel. No.:- 0265-2356573
0265-2356794

During the year, the Company has fully complied with the mandatory requirements as stipulated in the SEBI (LODR) Regulations, 2015.

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.

For and on behalf of the Board of Directors,

Place : Vallabh Vidyanagar
Date : 18th May, 2017

M. G. Rao
Whole-time Director

P. C. Amin
Director

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of SEBI (LODR) Regulations, 2015, 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 on 31st March, 2017.

Place : Vallabh Vidyanagar
Date : 18th May, 2017

M. G. Rao
Whole-time Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by EIMCO ELECON (INDIA) LIMITED for the year ended on 31st March, 2017, as referred to in Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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 March 31, 2017, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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

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

Place : Ahmedabad
Date : 18th May, 2017

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

ANNEXURE – 'C' TO BOARD'S REPORT- ITEM NO. 21

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Employees) as on 31st March, 2017.

Name of employees employed throughout the year and drawing remuneration of ₹ 1.02 crores or above per annum:

Sr. No.	Name	Age (Yrs.)	Qualification	Date of Joining	Designation	Nature of Duty	Remuneration Received (₹ in Lakhs) Gross	Net	Exper-ience (Yrs.)	Last Employment & Designation
1.	Shri D. M. Patel	64	BE (Mech.)	01-09-2012	GTD (Production In-charge)	Permanent	141.63	93.75	39	Power Build Pvt. Ltd. (Whole-time Director)

There was no employee for part of the year and was in receipt of Remuneration at the rate of not less than ₹ 8.50 Lakhs per month.

Top ten employees of the Company in terms of remuneration drawn during the year:-

Sr. No.	Name	Age (Yrs.)	Qualification	Date of Joining	Designation	Nature of Duty	Remuneration Received (₹ in Lakhs) Gross	Net	Exper-ience (Yrs.)	Last Employment
1.	Shri D. M. Patel	64	BE (Mech.)	01-09-2012	GTD, Production In-charge	Permanent	141.63	93.75	39	Power Build Pvt. Ltd.
2.	Shri M.G. Rao	58	ME (Welding Engg.)	08-09-2011	WTD	Contractual	86.99	61.12	37	McNally Bharat
3.	Shri Siva P. Kowdodi	42	M.Tech (Mech.), Ph.D.	12-05-2014	DGM, R&D	Permanent	27.84	20.80	18	Walchandnagar Industries Ltd.
4.	Shri Neeraj Bhatia	48	BE (Mech.); MBA (Mkg.)	9-01-2012	GM, Construction	Permanent	27.42	19.09	26	Quippo Construction Equip. Ltd.
5.	Shri Manoj Gupta	49	BE (Mech.)	10-02-2012	GM, Material Management	Permanent	28.56	18.28	25	IAC International Automotiv Components Pvt. Ltd.
6	Shri Nilesh Shelat	60	CS, ICWA	18-04-1995	CFO	Permanent	28.45	21.78	30	-
7.	Shri Bhavin Bhatt	50	BE (Mech.)	12-03-1990	GM, R&D	Permanent	24.49	13.64	28	-
8.	Shri Hitendra Shukla	50	BE (Mech.)	7-04-1990	GM, Marketing	Permanent	24.85	16.03	29	Power Build Pvt. Ltd.
9.	Shri Deepak Sharma	40	BE (Mech.)	5-04-2012	DGM, R&D	Permanent	17.71	12.07	20	Mahindra Engg. Services Ltd.
10.	Shri Mukul Dwivedi	50	BE (Mech.)	30-08-2016	VP, Marketing	Permanent	15.77	10.09	29	Mcnally Sayaji Engg. Ltd.

Notes:

1. 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.
2. Experience includes number of years' service elsewhere, wherever applicable.
3. Net remuneration received means the net payment made to the employee.
4. In abovementioned, no employee held the equity share of the Company within the meaning of Clause (iii) of sub-rule (2) of Rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. No employee is a relative of any director of the Company.

The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under :

Details of Remuneration of KMPs:-

Sr. No.	Name	Designation	Remuneration p.a. ₹ in Lakhs	Increase in Remuneration in F.Y. 2016-17 over the F.Y. 2015-16 ₹ in Lakhs	Ratio (Remuneration of Director to Median Remuneration)
1.	Shri M. G. Rao	WTD	86.99	7.95	18.28
2.	*Shri P. B. Patel	ED	2.67	-	0.56
3.	**Shri N. D. Shelat	CFO	28.45	1.42	5.98
4.	**Smt. Bharti Isarani	CS	5.94	-	1.25

* Shri P. B. Patel has been appointed as an Executive Director w.e.f. 9th November, 2016.

** Shri N. D. Shelat has resigned from the post of Company Secretary and was appointed as a CFO of the Company w.e.f. 1st September, 2016 and Smt. Bharti Isarani was appointed as a Company Secretary w.e.f. from 1st September, 2016.

Details of Remuneration of other Directors:-

Sr. No.	Name of the Other Directors	Designation	Details of Remuneration	Remuneration p.a. for the year 2016-17	Remuneration p.a. for the year 2015-16	% Increase in Remuneration (in F.Y. 2016-17)	Ratio of Rem. of each Director to Median Rem. of Employee
1	Shri P. M. Patel	Non-Independent	Sitting Fees	2,60,500	2,32,500	5.80	1.05
		NED	Commission	2,50,000	2,50,000		
2	Shri P. C. Amin	Non-Independent	Sitting Fees	1,25,000	1,10,000	4.17	0.77
		NED	Commission	2,50,000	2,50,000		
3	Shri H. S. Parikh	Independent	Sitting Fees	67,500	2,32,500	(34.20)	0.65
		NED	Commission	2,50,000	2,50,000		
4	Shri Nalin Shah	Independent	Sitting Fees	2,22,500	2,00,000	5.00	0.97
		NED	Commission	2,50,000	2,50,000		
5	Shri Nirmal Bhogilal	Independent	Sitting Fees	2,05,000	1,00,000	30.00	0.94
		NED	Commission	2,50,000	2,50,000		
6	Smt. Manjulladevi Shroff	Independent	Sitting Fees	75,000	75,000	Nil	0.67
		NED	Commission	2,50,000	2,50,000		
7	Ms. Reena Bhagwati	Independent	Sitting Fees	-	-	-	-
		NED	Commission	-	-		

(ii) The median remuneration of employees of the Company during the financial year was ₹ 4.86 Lakhs.

(iii) In the financial year, there was decrease of 10.33 % in the median remuneration of employees. (No. of employees has been increased from 155 to 167 as on 31st March, 2017).

(iv) There were 167 permanent employees on the rolls of Company as on 31st March, 2017.

(v) Average percentage increase made in the salaries of employees (other than the managerial personnel) in the last financial year i.e. 2016-17 was 0.60 % whereas the increase in the key managerial remuneration for the same financial year was 0.90%.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

<u>Designations at the Company:-</u>

GTD:- Group Technical Director
WTD- Whole-time Director
NED:- Non- Executive Director
ED:- Executive Director
VP:- Vice President
GM:- General Manager
DGM:- Deputy General Manager
CFO:- Chief Financial Officer
CS:- Company Secretary

For and on behalf of the Board of Directors,

Place : Vallabh Vidyanagar
Date : 18th May, 2017

M. G. Rao
Whole-time Director

P. C. Amin
Director

ANNEXURE – 'D' TO BOARD'S REPORT - ITEM NO. 22

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 ofthe Companies (Accounts) Rules, 2014-

[A] Conservation of energy :

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

1. 95 Nos. 36w CFL lights replaced by 15w LED lights.
2. Timer Control provided in Works Office and R & D Office, to switch off AC unit in lunch time.
3. Timer Control provided in 6 Nos. water coolers to switch off after office hours.
4. Timer Control provided in Road / Area / Estate lighting to start and stop automatically.
5. VFD panel replaced in Crane to save Energy.
6. Energy efficient air circulators replaced in work shop.
7. AHF panel installed in Air Compressor feeder to filter harmonics.
8. Machine step down transformer removed and replaced/modified UIT in all CNC machines to reduce self losses.

[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:

Capital	Nil
Recurring	₹ 377.63 Lakhs
Total R & D expenditure	₹ 377.63 Lakhs

Percentage of total turnover 1.90%

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 above efforts:

   Absorption, adaptation & innovation of imported technology have lead to less dependence on imports of these products. This has saved a considerable amount of foreign exchange and cost of production.

3. Technology imported:

   The Company had signed Two Collaboration Agreements in 2006 and 2008 which had been fully absorbed. Technology for the Front End Loader and 520G Wheel Loader is absorbed.

[C] Foreign exchange earning & outgo:

1. During the year the Company has exported goods worth ₹ 58.05 Lakhs and continues to make efforts to push up exports.
2. Foreign Exchange used & earned:

Used	Earned
₹ 1859.90 Lakhs	₹ 58.05 Lakhs

For and on behalf of the Board of Directors,

M. G. Rao
Whole-time Director

P. C. Amin
Director

Place : Vallabh Vidyanagar
Date : 18th May, 2017

ANNEXURE - 'E' TO THE BOARD'S REPORT - ITEM NO. 25

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THR FINANCIAL YEAR ENDED 31ST MARCH, 2017
[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 accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and 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, 2017 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, 2017 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 – **As informed to us, there were no FDI transaction in the Company during the year under review.**

(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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

We further report that there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

  (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) OTHER APPLICABLE ACTS

As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to industry generally.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 was 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. However, there was no any dissenting views.

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.

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

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

Place : Anand
Date : 4th May, 2017

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. Whereever 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.

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

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

Place : Anand
Date : 4th May, 2017

ANNEXURE - 'F' TO BOARD'S REPORT - ITEM NO. 26

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31-03-2017
[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	31st 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 - 388 120. 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. M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400 083.

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	97.36%

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	Eimco Elecon Electricals Ltd	U31900GJ2005PLC046661	ASSOCIATE	47.62	2(6)

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 01-04-2016)				No. of shares held at the end of the year (As on 31-03-2017)				% 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	6275	-	6275	0.1088	6275	-	6275	0.1088	-
	Acting in Corcert									
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**	**4271795**	**-**	**4271795**	**74.0553**	**-**
B.	**Public** Shareholding									
	1. Institutions									
	(a) Mutual Funds	276428	-	276428	4.7921	276428	-	276428	4.7921	-
	(b) Banks / FI	105	100	205	0.0036	105	100	205	0.0036	-
	(c) Central Govt									
	(d) State Govt(s)									
	(e) Venture Capital									
	Funds									
	(f) Insurance									
	Companies									
	(g) FIIs									
	(h) Foreign Venture									
	Capital Funds									
	(i) Others (specify)									
Sub-total (B)(1) :		**276533**	**100**	**276633**	**4.7957**	**276533**	**100**	**276633**	**4.7957**	
2.	**Non-Institutions**									
	(a) Bodies Corp.	160343	1050	161393	2.7979	176947	1050	177997	3.0857	0.2878
	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 01-04-2016)				No. of shares held at the end of the year (As on 31-03-2017)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	(b) Individuals									
	(i) Individual shareholders holing nominal share capital upto ₹1 lac	684612	119806	804418	13.9453	744236	116406	860642	14.9199	0.9746
	(ii) Individual share holders holding nominal share capital in excess of ₹1 lac	156057	-	156057	2.7054	79901	-	79901	1.3852	(1.3202)
	c) Others									
	1. Clearing Member	7788	-	7788	0.1350	14243	-	14243	0.2469	0.1119
	2. NRI (Repatriate)	12345	-	12345	0.2140	13353	-	13353	0.2315	0.0175
	3. NRI (Non-Repatriate)	5833	-	5833	0.1011	5741	-	5741	0.0995	(0.0016)
	4. Independent Directors & Relatives	1450	-	1450	0.0251	-	-	-	-	(0.0251)
	5. HUF	70673		70673	1.2252	68080	-	68080	1.1802	(0.0450)
Sub-total (B)(2):		**1099101**	**120856**	**1219957**	**21.1490**	**1102501**	**117456**	**1219957**	**21.1490**	**-**
Total Public Share-holding (B)=(B)(1)+(B)(2)		**1375634**	**125506**	**1496590**	**25.9447**	**1379034**	**117556**	**1496590**	**25.9447**	**-**
C.	**C. Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**4199554**	**1568831**	**5768385**	**100**	**5650829**	**117556**	**5768385**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			
		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	% change in share holding during the year
1	Elecon Engg. Co. Ltd.	958426	16.62	9.99	958426	16.62	9.99	-
2	Prayas Engg. Ltd.	37500	0.65	-	37500	0.65	-	-
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**	**9.99**	**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 01-04-2016)		Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		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**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	HDFC Trustee Company Limited A/c HDFC Growth Fund	276428	4.7921			276428	4.7921
	At the end of the year					276428	4.7921
2	Abhay Shyamsunder Chandak	0	0.0000			0	0.0000
	Transfer			17 Feb 2017	30000	30000	0.5201
	At the end of the year					30000	0.5201
3	CD Equifinance Private Limited	23483	0.4071			23483	0.4071
	Transfer			06 May 2016	(11108)	12375	0.2145
	Transfer			13 May 2016	13045	25420	0.4407
	At the end of the year					25420	0.4407
4	Sharad Kanayalal Shah	25000	0.4334			25000	0.4334
	At the end of the year					25000	0.4334
5	Hitesh Satishchandra Doshi	24901	0.4317			24901	0.4317
	At the end of the year					24901	0.4317
6	B. R. Nahar and Sons HUF.	19915	0.3452			19915	0.3452
	Transfer			08 Apr 2016	(8700)	11215	0.1944
	Transfer			29 Apr 2016	(1000)	10215	0.1771
	Transfer			06 Jan 2017	2175	12390	0.2148
	Transfer			24 Mar 2017	8700	21090	0.3656
	At the end of the year					21090	0.3656
7	Laurel Securities Pvt. Ltd.	20969	0.3635			20969	0.3635
	Transfer			15 Apr 2016	(702)	20267	0.3513
	Transfer			22 Apr 2016	(485)	19782	0.3429
	Transfer			29 Apr 2016	30	19812	0.3435
	Transfer			13 May 2016	174	19986	0.3465
	Transfer			20 May 2016	190	20176	0.3498
	Transfer			03 Jun 2016	(534)	19642	0.3405
	Transfer			10 Jun 2016	534	20176	0.3498
	Transfer			17 Jun 2016	180	20356	0.3529
	Transfer			24 Jun 2016	42	20398	0.3536
	Transfer			30 Jun 2016	(100)	20298	0.3519
	Transfer			08 Jul 2016	(1828)	18470	0.3202
	Transfer			15 Jul 2016	391	18861	0.3270
	Transfer			29 Jul 2016	(217)	18644	0.3232
	Transfer			05 Aug 2016	2100	20744	0.3596
	Transfer			12 Aug 2016	500	21244	0.3683
	Transfer			09 Sep 2016	(17)	21227	0.3680
	Transfer			23 Sep 2016	(34)	21193	0.3674
	Transfer			14 Oct 2016	(147)	21046	0.3649
	Transfer			28 Oct 2016	(383)	20663	0.3582
	Transfer			04 Nov 2016	(75)	20588	0.3569
	Transfer			11 Nov 2016	(191)	20397	0.3536

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Transfer			18 Nov 2016	6	20403	0.3537
	Transfer			25 Nov 2016	525	20928	0.3628
	Transfer			02 Dec 2016	(1)	20927	0.3628
	Transfer			09 Dec 2016	(355)	20572	0.3566
	Transfer			16 Dec 2016	32	20604	0.3572
	Transfer			23 Dec 2016	24	20628	0.3576
	Transfer			30 Dec 2016	(500)	20128	0.3489
	Transfer			06 Jan 2017	(133)	19995	0.3466
	Transfer			20 Jan 2017	333	20328	0.3524
	Transfer			10 Feb 2017	(500)	19828	0.3437
	Transfer			17 Feb 2017	(729)	19099	0.3311
	Transfer			24 Feb 2017	(1000)	18099	0.3138
	Transfer			24 Mar 2017	(200)	17899	0.3103
	Transfer			31 Mar 2017	3	17902	0.3103
	At the end of the year					17902	0.3103
8	NITIN TANDON	0	0.0000			0	0.0000
	Transfer			29 Apr 2016	13200	13200	0.2288
	Transfer			30 Sep 2016	2400	15600	0.2704
	At the end of the year					15600	0.2704
9	Edelweiss Broking Ltd.	0	0.0000			0	0.0000
	Transfer			29 Apr 2016	2100	2100	0.0364
	Transfer			06 May 2016	(2030)	70	0.0012
	Transfer			13 May 2016	5	75	0.0013
	Transfer			20 May 2016	(55)	20	0.0003
	Transfer			27 May 2016	9	29	0.0005
	Transfer			03 Jun 2016	103	132	0.0023
	Transfer			10 Jun 2016	(90)	42	0.0007
	Transfer			17 Jun 2016	(4)	38	0.0007
	Transfer			08 Jul 2016	497	535	0.0093
	Transfer			15 Jul 2016	265	800	0.0139
	Transfer			22 Jul 2016	110	910	0.0158
	Transfer			29 Jul 2016	(135)	775	0.0134
	Transfer			05 Aug 2016	(65)	710	0.0123
	Transfer			12 Aug 2016	15	725	0.0126
	Transfer			19 Aug 2016	2	727	0.0126
	Transfer			26 Aug 2016	200	927	0.0161
	Transfer			02 Sep 2016	15	942	0.0163
	Transfer			09 Sep 2016	367	1309	0.0227
	Transfer			16 Sep 2016	(580)	729	0.0126
	Transfer			23 Sep 2016	(50)	679	0.0118
	Transfer			30 Sep 2016	50	729	0.0126
	Transfer			7 Oct 2016	(9)	720	0.0125
	Transfer			14 Oct 2016	(52)	668	0.0116
	Transfer			21 Oct 2016	(12)	656	0.0114
	Transfer			28 Oct 2016	(1)	655	0.0114

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Transfer			04 Nov 2016	(50)	605	0.0105
	Transfer			11 Nov 2016	2	607	0.0105
	Transfer			18 Nov 2016	751	1358	0.0235
	Transfer			25 Nov 2016	(1125)	233	0.0040
	Transfer			16 Dec 2016	(150)	83	0.0014
	Transfer			23 Dec 2016	34	117	0.0020
	Transfer			30 Dec 2016	116	233	0.0040
	Transfer			06 Jan 2017	(11)	222	0.0038
	Transfer			13 Jan 2017	31	253	0.0044
	Transfer			20 Jan 2017	(66)	187	0.0032
	Transfer			27 Jan 2017	(10)	177	0.0031
	Transfer			03 Feb 2017	130	307	0.0053
	Transfer			10 Feb 2017	12380	12687	0.2199
	Transfer			17 Feb 2017	(2738)	9949	0.1725
	Transfer			24 Feb 2017	8142	18091	0.3136
	Transfer			03 Mar 2017	(4985)	13106	0.2272
	Transfer			10 Mar 2017	1508	14614	0.2533
	Transfer			17 Mar 2017	95	14709	0.2550
	At the end of the year					14709	0.2550
10	G R N Constructions Pvt. Ltd.	0	0.0000			0	0.0000
	Transfer			17 Feb 2017	5100	5100	0.0884
	Transfer			03 Mar 2017	1900	7000	0.1214
	Transfer			10 Mar 2017	3000	10000	0.1734
	At the end of the year					10000	0.1734
11	Profound Consulting Pvt. Ltd.	12592	0.2183			12592	0.2183
	Transfer			13 May 2016	(4500)	8092	0.1403
	Transfer			24 Feb 2017	4500	12592	0.2183
	Transfer			10 Mar 2017	(4500)	8092	0.1403
	At the end of the year					8092	0.1403
12	Mitesh N. Mehta	68600	1.1892			68600	1.1892
	Transfer			29 Apr 2016	(28600)	40000	0.6934
	Transfer			15 Jul 2016	(4000)	36000	0.6241
	Transfer			29 Jul 2016	(8000)	28000	0.4854
	Transfer			05 Aug 2016	(4000)	24000	0.4161
	Transfer			02 Sep 2016	(4000)	20000	0.3467
	Transfer			11 Nov 2016	(1677)	18323	0.3176
	Transfer			18 Nov 2016	(18323)	0	0.0000
	At the end of the year					0	0.0000
13	Chandravadan Desai	13045	0.2261			13045	0.2261
	Transfer			06 May 2016	(13045)	0	0.0000
	At the end of the year					0	0.0000
14	Vaibhav Jain	12511	0.2169			12511	0.2169
	Transfer			24 Feb 2017	(12511)	0	0.0000
	At the end of the year					0	0.0000

Note:
1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 5768385 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(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 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri 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.	Shri H. S. Parikh (Director) At the beginning of the year	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	-	-
3.	Shri P. B. Patel (Executive Director) At the beginning of the year	-	-	17796	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	-	-	17796	0.31
4.	Shri Pradip M. Patel (Director) Shri Nalin Shah (Director) Shri Nirmal Bhogilal (Director) Smt. Manjula Devi Shroff (Director) Ms. Reena Bhagwati (Director) Shri M. G. Rao (Whole-time Director)	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise increase/ decrease in promoters' shareholding during the year specifying the the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)				
	At the end of the year	-	-	-	-
5.	Shri Nilesh D. Shelat, CFO	-	-	-	-
	Smt. Bharti L. Isarani, Co. Secretary	-	-	-	-
	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	-	-	-	-

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
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year				
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**

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Executive Directors :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Shri M. G. Rao	Shri P. B. Patel
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	73,67,556	2,66,667
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,59,212	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of Profit	-	-
	- Other (Specify)	-	-
5.	Others, please specify - Retirals	4,72,600	-
	Total (A)	**86,99,368**	**2,66,667**
	Total Remuneration to Executive Directors		**89,66,035**
	Ceiling as per the Act		**2,50,91,032**

B. Remuneration to Other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	**Independent Directors**	**Shri Nalin Shah**	**Shri H. S. Parikh**	**Shri Nirmal Bhogilal**	**Smt. Manjuladevi Shroff**	**Ms. Reena Bhagwati**	
	Fee for attending board/ committee meetings - Commission - Others, please specify	2,22,500 2,50,000 Nil	67,500 2,50,000 Nil	2,05,000 2,50,000 Nil	75,000 2,50,000	Nil Nil Nil	5,70,000 10,00,000
	Total (1)	**4,72,500**	**3,17,500**	**4,55,000**	**3,25,000**		**15,70,000**
2.	**Other Non-Executive Directors**	**Shri P. M. Patel**	**Shri P. C. Amin**				
	Fee for attending board/ committee meetings - Commission - Others, please specify	2,60,500 2,50,000 Nil	1,25,000 2,50,000 Nil				3,85,500 5,00,000
	Total (2)	**5,10,500**	**3,75,000**				**8,85,500**
	Total B= (1+2)						**24,55,500**
	***Total Managerial Remuneration**						**1,14,21,535**
	Overall Ceiling as per the Act						**2,76,00,136**

*Total remuneration to Executive Directors and Other Directors (being total of A & B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Shri N. D. Shelat CFO	Smt. Bharti Isarani Company Secretary
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,80,660	5,58,772
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,64,110	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 191	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- As % of profit	Nil	Nil
	- Others, specify		
5.	Others, please specify - Retirals	Nil	36,173
	Total	28,44,770	5,94,945

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			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

Management's Discussion and Analysis

ANNEXURE - "G" TO BOARD'S REPORT - ITEM NO.17

INDUSTRY STRUCTURE AND DEVELOPMENT

COAL INDUSTRY

Last year the coal industry rebound to the growth after the initial hiccups of unexpected demand deficit. This resulted in around 2.9% and 1.59% growth only in production volume of CIL and SCCL respectively. CIL has targeted for a big leap in the production (approx. 19%) this year to compensate for the last year's slow growth. The consistent import of coal in huge quantity (Nearly 20% of our consumption) including the coal for the thermal power plant indicates the big demand supply gap for the right grade of coal in India and justifies the CIL's target. Even if we may not need the 1 billion MT of coal to be produced by 2019-20 as targeted by the Govt., the coal demand and production is going to increase steadily in mid and long term also. Though the unconventional (renewable) sources of energy are increasing grabbing the power supply gap created by our economic growth but they cannot fully satiate our demand and coal is the only economical option available with us.

FUTURE SCENARIO

The international coal prices dropped significantly suppressing the local prices. The excess supply for some period has made the customer choosy and coal producers had to take steps for the quality improvements and Govt. also intervened for the solution. The pressure on the coal subsidiaries to reduce the production cost is forcing them to think about newer technology. This is going to create increased demand for the mass production of machines with ease of selective mining. This opens up a big market for the equipment manufacturers and scope of innovations suiting to the Indian coal deposits and geological challenges.

CONSTRUCTION EQUIPMENT INDUSTRY

The Indian economy has emerged as the fastest major growing economy in the world recently. Infrastructure plays a major role in growth & development of any nation. It helps augment gross domestic product (GDP) which in turn plays role in improving quality of life. The virtuous cycle of growth in infrastructure through various projects & GDP leads to higher spending in Infrastructure equipment. There exists a great potential of growth in investments for raising an over- all infrastructure of our country. Since, good infrastructure acts as a catalyst in industrial & overall growth of the nation, the sector has always been on priority agenda of the current Government at all the times. With the Government's constant impetus on infrastructure, the construction equipment industry has started showing signs of growth from the continuous falling trend of last three to four years. The Government has instilled a positive outlook in the country by reviving stalled infrastructure projects, announcing new projects and is also allocating huge investments in infrastructure industry.

With the set up of NITI Aayog, replacing the Planning Commission, the current Government has tried to give a meaningful direction to allocation of funds by improving the share of development revenue expenditure & reduction in non-development revenue expenditure as a proportion of total budget expenditure. This will help higher allocation to sectors like Railways, Roads & Rural Development. Also, the major growth drivers for construction equipment industry will be, focus on timely execution of projects through improved governance and easy availability of finance. Awareness and emphasis on qualitative approach will lead to focus on high quality and technology driven equipment. Growing urbanization and Increasing affordability is expected to further spur up the demand for construction equipment in near future. Based on the recent projections, the ECE (Earthmoving & Construction Equipment) market is expected to grow by around 10 to 12 percent over the next few years.

FUTURE SCENARIO

Based on the Planning Commission estimates total infrastructure spending be about 10% of GDP during 12th Five Year Plan (2012-17), up from 7.6% during previous plan (2007-12), various global manufacturers have put their stake by investing in the Indian construction equipment industry over a period of last 5 to 6 years.

After a subdued phase of last 4 to 5 years, owing to policy paralysis and global recession, recently Construction Equipment Industry has started showing a sign of recovery, at a back drop of increased highway construction, improved government spending on water revitalization & building new cities. A number of domestic players, who have expanded their capabilities or diversified their product portfolios, through collaboration & tie-up arrangements, have now started take advantage of these signs of improvement in economic scenario.

The initiatives of present Government in promoting domestic players through 'make in India' & 'start up India' initiatives had started showing inflow of funds in Infra Industry very recently. Further, priority in allocation of funds to Government's recent initiatives, like Swatchh Bharat Abhiyan - Solid Waste Disposal, Nirmal Ganga Sehbhagyta - Clean Ganga, Bharat Mala - Road Network across Border & Coastal Areas, Smart Cities & Interlinking of rivers has started showing growth results for primary construction equipment (earth-moving) which will further continue for secondary equipment (material handling) on the mid and long term basis.

OPPORTUNITIES & THREATS

An improved version of AL-120, a mid-sized Compact Wheel Loader with 2.3T pay load capacity, has been introduced with superior features, which will help it, carve its product positioning among similar equipment presently used by builders & contractors. A higher capacity Loader AL-520, with pay load of 3.5T has also been introduced in the market place against heavy competition from national & global players, considering the higher demand from this segment. Continuous focus on improvement in current distribution network has helped spread this product in certain pockets of the nation, which will be further improved upon in the days to come.

Skid Steer Loader, a highly versatile machine having a growth potential & primarily used in Industry material handling as well as infra projects, is also on the anvil of launch pad. Additional product lines in Construction Equipment Segment, as proposed by reputed market survey agency, will also help your company realize its growth objectives in years to follow.

Further on, 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 PERFOR-MANCE AND OUTLOOK.

Sales & Other income for the year ended on 31st March, 2017 were ₹ 198.88 Crores as compared to ₹ 157.06 Crores on 31st March, 2016. The net profit stood at ₹ 25.09 Crores (previous year ₹ 17.45 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.

ANNEXURE - "H" TO BOARD'S REPORT - ITEM NO.13.3
NOMINATION, REMUNERATION AND EVALUATION POLICY

Introduction

In accordance with terms of Section 178 of the Companies Act, 2013 and 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) Whole-time 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 Whole-time 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/Whole-time 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 Whole-time Director upto one percent of the net profits of the Company, if there is a managing director or Whole-time 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 Board's Report.

INDEPENDENT AUDITORS' REPORT

To
The Members of **Eimco Elecon (India) Limited,**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Eimco Elecon (India) Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2017; the statement of profit and loss (including other comprehensive income), the cash flows statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of standalone Ind AS Financial Statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs

3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rule issued thereunder;

   e. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. With respect to other matters to be included in the Auditors' 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 Ind AS financial statements- Refer Note 29 to the standalone Ind AS 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 is no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company.

      (iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 6(f) to the standalone Ind AS financial statements.

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

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

Place : Ahmedabad
Date : 18th May, 2017

ANNEXURE – 'A' TO THE AUDITORS' REPORT

The Annexure referred to in Independents Auditors' Report to the members of the Company on the Standalone Ind AS financial statement for the year ended on 31st March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Majority of the assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties held are in the name of the Company.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) 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, 2013. Hence, clauses (iii) (a), (b)& (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) The Company has complied with the provision of Sections 185 &186 of Companies Act, 2013 with respect of loans, investments and guaranty made.

(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.

(iv) 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, 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, 2017 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to ₹1,103.48 Lakhs 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 Lakhs)	Period to which the amount Relates	Forum where dispute is pending
1.	Income Tax Act 1961	Income Tax	20.62	Various years from 2001-02 to 2013-14	Appellate Authority
2.	Central Excise Act, 1944	Excise Duty and Service Tax	1,007.56	Various years from 2006-07 to 2013-14	Appellate Authority
3.	VAT	VAT	75.30	Various years from 2008-09 to 2011-12	Appellate Authority

(viii) 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 (viii) of paragraph 3 of the Order is not applicable to the Company.

(ix) According to the records of the company, the company has neither raised any monies by way of Initial Public Offer or Further Public Offer nor has the company obtained any term loan. Hence, the comments under the clause are not called for.

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

(xi) The Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi company. Hence, in our opinion, the requirements of clause (xii) of Paragraph 3 of the Order do not apply to the Company.

(xiii) The Company has complied with Sections 177 and 188 of Companies Act, 2013, in respect of transactions with the related parties and relevant details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards (Ind AS).

(xiv) The Company has not made any preferential allotment or private placement of shares or full or convertible debentures during the year under review. Hence, the provisions of Clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Ahmedabad
Date : 18th May, 2017

ANNEXURE 'B' TO AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Eimco Elecon (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included in obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Ahmedabad
Date : 18th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakh)

		Note No.	31-March-2017	31-March-2016	01-April-2015
ASSETS					
I.	**Non-current assets**				
(a)	Property, plant and equipment	3	6,358.30	6,461.61	6,464.76
(b)	Capital work-in-progress		-	16.23	3.65
(c)	Investment property	4	390.12	412.81	436.95
(d)	Intangible assets	5	6.68	42.61	119.67
(e)	Financial assets				
	(i) Investments	6	7,362.62	6,690.85	5,663.04
	(ii) Other financial assets	6	291.39	257.05	267.53
(f)	Non-current tax assets (net)	9	167.94	338.74	347.87
(g)	Other non-current assets	7	-	-	216.50
			14,577.05	**14,219.90**	**13,519.97**
II.	**Current assets**				
(a)	Inventories	8	3,418.70	3,771.21	3,092.74
(b)	Financial assets				
	(i) Investments	6	6,960.18	5,517.59	2,270.01
	(ii) Trade receivables	6	4,889.66	5,179.67	8,840.62
	(iii) Cash and cash equivalents	6	227.80	138.03	412.34
	(iv) Other Bank Balances	6	14.99	13.91	13.00
	(v) Others financial assets	6	10.70	11.60	10.70
(c)	Current tax assets (net)		-	-	50.92
(d)	Other current assets	7	975.29	870.98	742.68
			16,497.32	**15,502.99**	**15,433.01**
	Total Assets		**31,074.37**	**29,722.89**	**28,952.98**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity share capital	10	576.84	576.84	576.84
(b)	Other equity	11	27,269.48	25,121.88	23,725.50
			27,846.32	**25,698.72**	**24,302.34**

	Note No.	31-March-2017	31-March-2016	01-April-2015
LIABILITIES				
(I) Non - current liabilities				
(a) Long-term provisions	13	86.73	55.68	59.04
(b) Deferred tax liabilities (net)	24	912.35	1,095.51	1,099.41
		999.08	**1,151.19**	**1,158.45**
(II) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	12	1,384.49	2,288.17	2,655.66
(ii) Other financial liabilities	12	296.93	35.46	51.17
(b) Other current liabilities	14	302.74	333.20	567.14
(c) Short-term provisions	13	200.09	167.67	218.22
(d) Current tax liabilities (net)		44.72	48.48	-
		2,228.97	**2,872.98**	**3,492.19**
Total Equity and Liabilities		**31,074.37**	**29,722.89**	**28,952.98**

Summary of Standalone significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

	Note No.	31-March-2017	31-March-2016
INCOME			
Revenue from operations			
Sale of Products	15	18,480.81	14,873.99
Sale of Services	15	4.68	0.89
Other Operating Income	15	55.03	78.38
Revenue from Operations		18,540.52	14,953.26
Other income	16	1,348.47	753.39
Total income (I)		**19,888.99**	**15,706.65**
Expenses			
Cost of raw materials and components consumed	17	5,492.29	4,697.13
Purchase of traded goods	18	2,740.94	2,639.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	769.82	(817.01)
Excise Duty Expenses		1,421.16	950.63
Manufacturing Expense and Erection Charges	20	237.15	162.37
Employee benefits expense	21	1,493.49	1,445.01
Finance costs	22	38.26	29.34
Depreciation and amortisation expense		517.70	629.62
Other Expenses	23	4,198.99	3,606.87
Total Expenses (II)		**16,909.80**	**13,343.42**
Profit before tax (III) = (I-II)		**2,979.19**	**2,363.23**
Tax Expense			
Current tax	24	671.29	620.00
Adjustment of Tax relating to earlier periods	24	8.62	-
Deferred Tax	24	(209.82)	(2.76)
Total tax expense (IV)		**470.09**	**617.24**
Profit for the year (V) = (III-IV)		**2,509.10**	**1,745.99**

	Note No.	31-March-2017	31-March-2016
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(21.96)	(3.28)
Income tax effect of above		7.60	1.14
		(14.36)	(2.14)
Net other comprehensive income not to be reclassified to Profit or Loss in subsequent periods		(14.36)	(2.14)
Total other comprehensive income for the year, net of tax (VI)		**(14.36)**	**(2.14)**
Total comprehensive income for the year, net of tax attributable to equity share holders VII = (V - VI)		**2,494.74**	**1,743.85**
Earning per equity share [nominal value per share ₹ 10/- (31-March-2016: ₹10/-)]			
Basic		43.50	30.27
Diluted		43.50	30.27

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Particulars	31-March-2017	31-March-2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	**2,979.19**	**2,363.23**
Adjustments to reconcile profit before tax to net cash flows:		
1) Depreciation and Amortisation	517.70	629.62
2) Finance Cost	0.09	1.20
3) Gain on sale / fair valuation of Investment	(609.07)	(366.76)
4) Gain on Sale of Fixed Assets (Net)	10.05	(1.01)
5) Interest Income	(76.19)	(51.08)
6) Dividend Income	(323.57)	(238.52)
7) Remeasurement of Employee benefit expense	(21.96)	(3.28)
Operating Profit before working capital changes	**2,476.24**	**2,333.40**
Working Capital Adjustments		
1) Trade and other receivables	290.01	3,660.95
2) Inventories	352.51	(678.47)
3) Other financial assets	(33.44)	9.58
4) Other current and non-current assets	(104.31)	88.20
5) Trade payables	(903.68)	(367.49)
6) Other payables	33.01	(287.85)
7) Other financial liabilities	260.39	(16.62)
Cash Generated from Operations	**2,370.73**	**4,741.70**
Less :		
1) Direct taxes paid	471.44	511.47
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,899.29**	**4,230.23**
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
1) Sale of fixed assets	19.14	5.06
2) Interest received	76.19	51.08
3) Dividend received	323.57	238.52
4) Sale of investment in Associate	211.75	-
Less :		
1) Purchase of investments (net)	(1,717.03)	(3,908.63)
2) Purchase of fixed assets	(375.92)	(541.89)
3) Unpaid Dividend Account	(1.08)	(0.91)
NET CASH GENERATED FROM INVESTING ACTIVITIES	**(1,463.38)**	**(4,156.77)**

CASH FLOW STATEMENT (Contd...)

(₹ in Lakh)

Particulars	31-March-2017	31-March-2016
CASH FLOW FROM FINANCING ACTIVITIES:		
1) Interest Paid	(0.09)	(1.20)
2) Dividend Paid	(287.33)	(287.52)
3) Tax on Dividend	(58.72)	(59.05)
NET CASH USED IN FINANCING ACTIVITY	**(346.14)**	**(347.77)**
Net increase / (decrease) in cash and cash equivalents	**89.77**	**(274.31)**
Opening Cash and Cash equivalents	**138.03**	**412.34**
Closing Cash and Cash equivalents (Refer Note 13)	**227.80**	**138.03**
Components of Cash & Cash Equivalents :-		
Cash on hand	0.05	0.10
Balances with banks		
In Current Accounts	227.75	137.93
	227.80	**138.03**

As per our report of even date attached
For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

Attributable to the Equity Holders (₹ in Lakh)

Particulars	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 16	Note 17	Note 17	Note 17	Note 17	
Balance as at 1-April- 2015	**576.84**	**2.91**	**18,743.45**	**753.83**	**4,225.31**	**24,302.34**
Profit for the year	-		-	-	1,745.99	**1,745.99**
Other Comprehensive Income for the Year	-		-	-	(2.14)	**(2.14)**
Total Comprehensive Income for the Year	-		-	-	**1,743.85**	**1,743.85**
Dividend	-		-	-	(288.42)	**(288.42)**
Dividend Distribution Tax	-		-	-	(59.05)	**(59.05)**
Transfer from Retained Earnings	-		1,300.00	-	(1,300.00)	-
Balance as at 31-March-2016	**576.84**	**2.91**	**20,043.45**	**753.83**	**4,321.69**	**25,698.72**
Profit for the year	-		-	-	2,509.10	**2,509.10**
Other Comprehensive Income for the year	-		-	-	(14.36)	**(14.36)**
Total Comprehensive Income for the year	-		-	-	**2,494.74**	**2,494.74**
Dividend	-		-	-	(288.42)	**(288.42)**
Dividend distribution tax	-		-	-	(58.72)	**(58.72)**
Transfer from Retained Earnings	-		1500.00	-	(1,500.00)	-
Balance as at 31-March-2017	**576.84**	**2.91**	**21,543.45**	**753.83**	**4,969.29**	**27,846.32**

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

Eimco Elecon (India) Limited is a public company domiciled in India incorporated in 1974 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Equipment for Mining and Construction sectors.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 18th May, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31-March-2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31-March-2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 35 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current Versus Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b. Foreign Currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency spot rates at the date the transaction first qualifies for recognition.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Management determines the policies and procedures for both recurring fair value measurement and non recurring fair value measurement.

External values are involved for valuation of significant assets, such as properties and Involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company’s accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

- Significant accounting judgements, estimates and assumptions (Note No. 2.3)
- Quantitative disclosures of fair value measurement hierarchy (Note No. 26)
- Investment properties (Note No. 2.2 (g) & Note No. 4)
- Financial instrument (Note No. 2.2 (o))

d. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added tax. With regard to sale of product, 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. The Company provides normal warranty provisions for general repairs for 12-18 months on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold – see Note 15 for more information. The Company does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Dividend Income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

e. Taxes

Current Income Tax

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

f. Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful lives estimated by the management. The identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure certain items of property, plant and equipment at fair value as at 01-April-2015 and used that fair value as deemed cost of the property, plant and equipment.

g. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transition to Ind AS

Since there is no change in functional currency, the Company has elected to continue with the carrying value of all of its Investment properties as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. 01-April-2015.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of assets as under:

Assets	Year
Technical Knowhow	7 years
Software	7 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. 01-April-2015.

i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. Cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebate and discounts.

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

l. Impairment of Non-Financial Assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

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.

n. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

b) Post-Employment Benefits

(i) Defined contribution plan

These are plan 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 contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(ii) Defined benefit plan

Expenses for defined 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

having regard to the interest rate on government bonds with a remaining term i.e. almost equivalent to the average balance working period of the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of;

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs;

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss;

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

o. Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets, except investment in associates, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial assets is measured at the amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').The Company has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition of financial assets

A financial asset is derecognised when:

(a) the contractual rights to the cash flows from the financial asset expire,

or

(b) The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability ismeasured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts isrecognised in the statement of profit or loss.

p. Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair Value Hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

(ii) Cash Flow Hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

r. Dividend Distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

s. Earnings Per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Finance lease commitments – Company as lessee

The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 31.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

The company generally offers 12-18 months warranties for the products sold. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the company's productivity and quality initiatives.

Intangible Assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

Property, Plant and Equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3 .

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 3 : Property, Plant and Equipment

(₹ in lakh)

Particulars	Land Freehold	Land Lease-hold	Buildings	Plant & Equip ment	Furniture & Fixture	Vehicles	Office Equip ment	Electrical Fittings	Jigs	Total	CWIP
Cost											
As at 1-April-2015	**2,294.30**	**854.80**	**1,121.13**	**3,102.08**	**246.55**	**272.16**	**743.38**	**108.57**	**171.28**	**8,914.25**	**3.65**
Additions	-	23.93	441.40	-	13.02	6.78	35.24	5.91	3.04	529.32	187.66
Deductions	-	-	-	11.23	-	14.89	0.85	-	-	26.97	175.08
As at 31-March-2016	**2,294.30**	**878.73**	**1,562.53**	**3,090.85**	**259.57**	**264.05**	**777.77**	**114.48**	**174.32**	**9,416.60**	**16.23**
Additions	-	-	72.87	29.39	7.01	-	263.64	12.03	-	384.94	854.74
Deductions	-	-	-	202.01	0.15	78.00	29.74	-	-	309.90	870.97
As at 31-March-2017	**2,294.30**	**878.73**	**1,635.40**	**2,918.23**	**266.43**	**186.05**	**1,011.67**	**126.51**	**174.32**	**9,491.64**	**0.00**
Depreciation and Impairment											
As at 1-April-2015	**-**	**-**	**8.34**	**1,149.06**	**241.38**	**194.18**	**630.10**	**99.99**	**126.44**	**2,449.49**	
Depreciation for the year	-		159.03	281.31	4.06	27.60	45.03	6.93	4.46	528.42	
Deductions	-	-	-	10.67	-	11.40	0.85		-	22.92	
As at 31-March-2016	**-**	**-**	**167.37**	**1,419.70**	**245.44**	**210.38**	**674.28**	**106.92**	**130.90**	**2,954.99**	
Depreciation for the year	-	-	169.72	219.92	3.99	13.75	45.12	1.97	4.61	459.08	
Deductions	-	-	-	191.71	0.15	61.03	27.84		-	280.73	
As at 31-March-2017	**-**	**-**	**337.09**	**1,447.91**	**249.28**	**163.10**	**691.56**	**108.89**	**135.51**	**3,133.34**	
Net Block											
As at 31-March-2017	**2,294.30**	**878.73**	**1,298.31**	**1,470.32**	**17.15**	**22.95**	**320.11**	**17.62**	**38.81**	**6,358.30**	
As at 31-March-2016	**2,294.30**	**878.73**	**1,395.16**	**1,671.15**	**14.13**	**53.67**	**103.49**	**7.56**	**43.42**	**6,461.61**	
As at 1-April-2015	**2,294.30**	**854.80**	**1,112.79**	**1,953.02**	**5.17**	**77.98**	**113.28**	**8.58**	**44.84**	**6,464.76**	

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 4 : Investment Properties (Building)

Particulars	(₹ in Lakh)
Gross Block	
As at 1-April-2015	**524.12**
Additions	-
Deductions	-
As at 31-March-2016	**524.12**
Additions	-
Deductions	-
As at 31-March-2017	**524.12**
Depreciation and Impairment	
As at 1-April-2015	**87.17**
Depreciation for the year	24.14
Deductions	-
As at 31-March-2016	**111.31**
Depreciation for the year	22.69
Deductions	-
As at 31-March-2017	**134.00**
Net Block	
As at 31-March-2017	**390.12**
As at 31-March-2016	412.81
As at 1-April-2015	436.95

Information regarding income and expenditure of Investment Property (₹ in Lakh)

Particulars (For the year ended on)	31-March-2017	31-March-2016
Rental income derived from Investment Properties	44.75	33.15
Direct operating expenses (including repairs and maintenance) generating rental income	19.45	26.70
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and Indirect Expenses	**25.30**	**6.45**
Less : Depreciation	**22.69**	**24.14**
Profit arising from investment properties before Indirect Expenses	**2.61**	**(17.69)**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

As at 31-March-2017, 31-March-2016 and 01-April-2015, the fair values of the properties are based on Market valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 26.

Fair Value of the Investment Properties are as under (Building)

Fair Value	(₹ in Lakh)
Balance as at 1-April-2015	**716.40**
Fair value difference for the year	99.60
Purchases	-
Balance as at 31-March-2016	**816.00**
Fair value difference for the year	101.57
Purchases	-
Balance as at 31-March-2017	**917.57**

Note 5 : Intangible Assets (Acquired) (₹ in lakh)

Particulars	Software License	Technical Knowhow	Total
Cost			
As at 1-April-2015	**349.19**	**301.40**	**650.59**
Additions	-	-	-
Deductions	-	-	-
As at 31-March-2016	**349.19**	**301.40**	**650.59**
Additions	-	-	-
Deductions	-	-	-
As at 31-March-2017	**349.19**	**301.40**	**650.59**
Amortisation and Impairment			
As at 1-April-2015	**244.09**	**286.83**	**530.92**
Amortisation for The Year	63.37	13.69	77.06
Deductions	-	-	-
As at 31-March-2016	**307.46**	**300.52**	**607.98**
Amortisation for The Year	35.05	0.88	35.93
Deductions	-	-	-
As at 31-March-2017	**342.51**	**301.40**	**643.91**
Net Block			
As at 31-March-2017	**6.68**	**-**	**6.68**
As at 31-March-2016	**41.73**	**0.88**	**42.61**
As at 1-April-2015	**105.10**	**14.57**	**119.67**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 6 : Financial Assets (₹ in lakh)

Particulars as at	Face Value	31-March-2017 No of Share	31-March-2017 Amount	31-March-2016 No of Share	31-March-2016 Amount	01-April 2015 No of Share	01-April 2015 Amount
6(a) Investments							
Non-current investments							
Investment in Equity Shares of Associate at Cost							
Eimco Elecon Electricals Limited	10	510,000	51.00	510,000	51.00	510,000	51.00
Wizard Fincap Limited		-	-	249,500	24.95	249,500	24.95
Investment at cost			**51.00**		**75.95**		**75.95**
Investment in Equity Shares of others at Fair Value through Profit or Loss							
Quoted							
Bank of Baroda	2	3,500	6.05	3,500	5.15	3,500	5.72
Bharti Airtel Limited	5	2,655	9.29	2,655	9.31	2,655	10.44
Colgate-Palmolive (I) Limited	1	1,000	9.96	1,000	8.31	500	10.07
GOL Offshore Limited	10	238	0.04	238	0.10	238	0.14
Grasim Industries Limited	2	5,000	52.45	1,000	38.44	1,000	36.22
Hindustan Unilever Limited	1	1,500	13.67	1,500	13.04	1,500	13.10
Infosys Limited	5	7,424	75.89	7,424	90.45	3,712	82.35
ITC Limited	1	4,500	12.61	3,000	9.85	3,000	9.78
Larsen & Toubro Limited	2	750	11.81	750	9.13	750	12.90
Mahindra & Mahindra Limited	5	8,800	113.25	8,800	106.54	8,800	104.53
Reliance Industries Limited	10	5,100	67.36	5,100	53.31	5,100	42.13
Reliance Infrastructure Limited	10	390	2.22	390	2.08	390	1.69
Siemens Limited	2	294	3.70	294	3.23	294	4.11
State Bank of India	1	35,000	102.69	35,000	67.99	35,000	93.47
Tata Chemicals Limited	10	10,000	59.88	10,000	37.37	10,000	44.36
Tata Steel Limited	10	11,325	54.67	11,325	36.21	11,325	35.87
Tata Power Limited	1	57,000	51.50	57,000	36.85	57,000	43.95
Ultratech Cement Limited	10	571	22.75	571	18.44	571	16.43
Fair value of Quoted Equity Shares			**669.79**		**545.80**		**567.26**
Investment in equity shares of others at fair value through profit or loss							
Unquoted							
Charotar Gas Sahakari Mandali			0.03		0.03		0.03
Investment at Cost			**0.03**		**0.03**		**0.03**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Particulars as at	31-March-2017		31-March-2016		01-April 2015	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment in Mutual funds at fair value through profit or loss						
Investment in Mutual funds (Unquoted):						
Reliance Fixed Horizon Fund - XXV Series 4 Growth (Lien)	-	-	2,500,000	126.50	2,500,000	281.15
Reliance Fixed Horizon Fund - XXIV Series -16 Growth (Lien)	-	-	1,000,000	61.05	1,000,000	116.62
SBI Debt Fund Series A 3 420 Days - Growth	574,812	74.62	574,812	127.48	574,812	63.70
SBI Debt Fund Series A 14 380 Days - Growth	515,507	66.06	515,507	305.00	515,507	56.36
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	-	-	499,620	60.75	499,620	56.20
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	-	-	499,986	69.03	499,986	56.01
Tata Fixed Maturity Fund - Series 46 Scheme B - Growth (Lien)	-	-	1,046,672	61.07	1,046,672	117.44
ICICI Prudential MF FMP (Lien)	1000000	102.80	-	-	-	-
Reliance Fixed Horizon XXXII (Lien)	3000000	308.87	-	-	-	-
ICICI Pudential FMP Series 80	3000000	301.92				
Tata Short Term Bond Fund - Growth (Lien)	3,476,938	1077.67	2,156,454	608.50	2,156,454	563.54
HDFC High Interest Fund Short Term	398,687	133.06	398,687	120.08	398,687	111.17
Tata Income Fund - Appreciation	115,676	58.23	115,676	53.05	115,676	49.91
SBI SHDF STP - Growth	1,083,150	204.72	1,083,150	187.65	1,083,150	173.63
Tata Income Fund Appreciation -	221,449	34.10	221,449	31.06	221,449	29.22
SBI Magnum Income Fund - Growth	509,590	205.71	509,590	182.52	509,590	172.42
ICICI Dynamic Bond Fund Growth	1,048,499	202.24	1,048,499	180.77	1,048,499	166.25
Reliance Dynamic Bond Fund	619,798	142.54	619,798	127.08	619,798	119.59
BSL Short Term Opp Fund Growth (Lien)	249,432	69.34	249,432	62.86	249,432	57.79
Reliance STF Direct Growth Plan (Lien)	4,640,138	1466.32	4,640,138	1337.29	4,640,138	1232.03
HDFC FMP 371 D Series 29	-	-	4,000,000	487.60	4,000,000	449.60
Reliance Qtrly Interval Fund Growth	-	-	2,048,494	255.89		
SBI Premier Liquid Direct	-	-	20,259	482.35	2,298	50.52
SBI Corporate Bond Fund Reg Plan -Growth	383,229	100.44	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 2 Growth	3,000,000	301.37	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 5 Growth	5,000,000	500.00	-	-	-	-
Reliance Money Manager Fund (Lien)	31,056	707.00	26,513	556.70	26,513	511.86
Fair Value of Non Current Investment in Mutual Fund		**6057.01**		**5,484.28**		**4,435.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Particulars as at	31-March-2017		31-March-2016		01-April 2015	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment at amortised cost						
Investment in Bond Non Trade (Quoted) :						
8.20% Power Finance Corporation Limited	28,479	284.79	28,479	284.79	28,479	284.79
6.88% Power Finance Corporation Limited	30,000	300.00	30,000	300.00	30,000	300.00
Investment at cost		**584.79**		**584.79**		**584.79**

Note :

1) The Company has on behalf of Elecon Engineering Co. Limited provided security to a bank by way of lien on Investments made in Mutual Funds.

Particulars as at	31-March-2017		31-March-2016		01-April 2015	
Total Non-current Investments		**7,362.62**		**6,690.85**		**5,663.04**
Aggregate value of quoted investments and its market value thereof		**1,254.58**		**1,130.59**		**1,152.05**
Aggregate value of unquoted investments		**6,108.04**		**5,560.26**		**4,510.99**
Current Investments						
Investment in Mutual funds at fair Value through Profit or Loss Account						
Dividend Option						
Axis Liquid Fund	5,068	50.71	-	-	5,103	51.04
BSL Cash Plus - (Lien)	771,024	772.53	784,867	786.43	1,159,737	1161.98
BSL Dynamic Bond Fund	3,101,966	344.66	2,939,939	310.16	2,786,556	293.58
BSL Saving Fund	150,084	150.74	-	-	50,199	50.35
BSL Short Term Fund - (Lien)	2,265,031	266.82	2,133,344	250.67	2,009,172	237.69
BSL-Short Term Fund Monthly Dividend Regular Plan	6,242,121	734.65	5,879,211	691.07	-	-
HDFC Cash Management Fund	166,453	1770.46	33,089	351.95	-	-
HDFC Cash Managment saving Plan	-	-	114,879	1221.90	2,936,623	312.35
ICICI Prudential Liquid Plan	-	-	253,983	254.16	162,932	163.02
ICICI Short Term Fund - Dividend	3,168,639	388.83	2,989,280	363.00	-	-
Reliance Liquid Fund	-	-	-	-	-	-
Reliance Liquid Fund - Cash Plan	-	-	8,984	100.09	-	-
Reliance Liquid Fund - Treasury plan	3,400	51.97	9,918	151.62	-	-
Reliance Short Term Fund- Dividend	6,500,033	721.96	6,164,740	679.31	-	-
TATA Floater Fund	-	-	20,650	207.23	-	-
Tata Short Term Bond Fund Dividend	1,059,674	161.81	1,059,674	150.00	-	-
Reliance Medium Term Fund	9,037,536	1545.04	-	-	-	-
Fair Value of Current Investment in Mutual Fund		**6960.18**		**5517.59**		**2270.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2017 No of Units	31-March-2017 Amount	31-March-2016 No of Units	31-March-2016 Amount	01-April 2015 No of Units	01-April 2015 Amount
Aggregate value of unquoted investments		6,960.18		5,517.59		2,270.01
Aggregate amount of impairment in value of investments		-		-		-
Total Investments		**14,322.80**		**12,208.44**		**7,933.05**

6(b) Other Financial Assets

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Unsecured, Considered Good			
Non-Current			
Security Deposits	291.39	257.05	267.53
	291.39	**257.05**	**267.53**
Current			
Receivable other than trade	10.70	11.60	10.70
	10.70	**11.60**	**10.70**
Total Other Financial Assets	**302.09**	**268.65**	**278.23**

6(c) Trade Receivables

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Unsecured, Considered Good	4,889.66	5,179.67	8,840.62
Total Trade and Other Receivables	**4,889.66**	**5,179.67**	**8,840.62**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other persons. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Write Off

During the Period, the Company has made provision for write offs ₹ 65.61 Lakhs of trade receivables and it does not expect to receive future Cash Flow or recoveries from collection of cash flow previously written off.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6(d) Cash and Cash Equivalents

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Cash and Cash Equivalents			
Balance with Bank			
Current accounts and debite balance in cash credit accounts	127.75	137.93	412.24
In Deposit Account (with original maturity upto 3 months)	100.00		
Cash on hand	0.05	0.10	0.10
Total Cash and Cash Equivalents	**227.80**	**138.03**	**412.34**

6(e) Other Bank Balance

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Other bank balances			
Unpaid dividend accounts	14.99	13.91	13.00
Total	**14.99**	**13.91**	**13.00**

6(f) Specified Bank Notes Disclosures (SBN's)

During the year, the Company had specified bank notes or other denomination notea as defined in the MCA notification G.S.R. 308(E) dated 31-March-2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08-November-2016 to 30-December-2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08-Nov.-2016	4,500	5,291	9,791
(+) Non Permitted receipts	-	-	
(+) Permitted receipts		15,000	15,000
(-) Permitted payments		15,381	15,381
(-) Amounts Deposited in Banks	4,500		4,500
Closing cash on hand as on 31-Dec-2016	**0**	**4,910**	**4,910**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6(g) Financial Assets By Category

(₹ in Lakh)

Particulars as at	31-March-2017			
	Cost	**FVTPL**	**FVOCI**	**Amortised cost**
31-March-2017				
Financial Assets by Category				
Investments				
- Equity Share in Associate at cost	51.00			
- Equity Share in Others at FVTPL		669.79		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		6057.01		
- Investment in mutual fund -Current		6960.18		
Trade Receivables (Note 6)				4,889.66
Cash and Cash Equivalents (Note 6)				227.80
Other Bank Balance				14.99
Other Financial Assets				302.09
Total Financial Asets	**51.00**	**13687.01**		**6019.33**
31-March-2016				
Financial Assets by Category				
Investments				
- Equity Share in Associate at Cost	75.95			
- Equity Share in Others at FVTPL		545.80		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		5484.28		
- Investment in mutual fund -Current		5517.59		
Trade receivables				5,179.67
Cash and cash equivalents				138.03
Other bank balance				13.91
Other financial assets				268.65
Total Financial Assets	**75.95**	**11547.70**	**-**	**6,185.05**
01-April-2015				
Financial assets by category				
Investments				
- Equity Share in Associate at cost	75.95			
- Equity Share in Others at FVTPL		567.26		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		4435.01		
- Investment in mutual fund -Current		2270.01		
Trade Receivables				8,840.62
Cash and Cash Equivalents				412.34
Other bank balance				13.00
Other financial assets				278.23
Total Financial Assets	**75.95**	**7272.31**	**-**	**10,128.98**

For Financial instruments risk management objectives and policies, refer Note 27
Fair value disclosures for financial assets and liabilities are in Note 25 and fair value hierarchy disclosures for investment are in Note 26.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Note 7 : Other Non-Current / Current Assets

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Unsecured, Considered Good			
Non-Current			
Capital advances	-	-	216.50
	-	-	216.50
Current			
Advance to suppliers	421.55	155.25	243.82
Balance with Collector of Customs, Port Trust, Excise etc.	175.88	335.86	327.05
Claims Receivable from Govt. Authorities	339.63	348.22	109.66
Other Advances	38.23	31.65	62.15
	975.29	870.98	742.68
Total	**975.29**	**870.98**	**959.18**

Note 8 : Inventories (At Lower of Cost and Net Realisable Value)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Raw Materials and Components	1,656.95	1,239.64	1,378.18
Work-in-Progress	633.32	867.46	393.04
Finished Goods	230.30	678.45	204.94
Stock-in-Trade	898.13	985.66	1,116.58
Total	**3,418.70**	**3,771.21**	**3,092.74**

Note 9 : Non-Current Tax Assets (Net)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Non-Current			
Tax Paid in Advance	3,611.94	5,929.56	5,059.89
Less:			
Provision for income tax	3,444.00	5,590.82	4,712.02
Total	**167.94**	**338.74**	**347.87**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 10 : Share Capital (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Authorised Share Capital			
10,000,000 Equity Shares of ₹10 each	1,000.00	1,000.00	1,000.00
	1,000.00	**1,000.00**	**1,000.00**
Issued, subscribed and fully paid up			
Issued 57,68,386 Equity shares of ₹10 each	576.84	576.84	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10/- each	576.84	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹10/-	-	-	-
Total	**576.84**	**576.84**	**576.84**

Note 10.1 : Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars as at	31-March-2017		31-March-2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	57.68	576.84	57.68	576.84
Issued/Reduction, if any during the year	-		-	
Outstanding at the end of the year	**57.68**	**576.84**	**57.68**	**576.84**

10.2 : Terms/Rights attached to the Equity Shares

(a) Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having at par value of ₹ 10/- per share.

Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 10.3 : Number of Shares held by each shareholder holding more than 5% Shares in the Company

	Particulars as at	31-March-2017		31-March-2016		01-April 2015	
		No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
a)	**Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- Each fully paid up)**						
	Elecon Engineering Company Limited	958,426	16.62	958,426	16.62	958,426	16.62
	EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19	818,303	14.19
	K B Investments Private Ltd.	487,015	8.44	487,015	8.44	487,015	8.44
	Tamrock Great Britain Holding Ltd.	1,447,875	25.10	1,447,875	25.10	1,447,875	25.10

Note 11 : Other Equity

Particulars as at	31-March-2017	31-March-2016
Note 11.1 Reserves & Surplus		
Capital Reserve		
Balance as per last Balance sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	**2.91**	**2.91**
Securities Premium Account		
Balance as per last Balance sheet	753.83	753.83
Add: addition during the year		
Add: utilized during the year		
Balance at the end of the year	**753.83**	**753.83**
General Reserve		
Balance as per last Balance sheet	20,043.45	18,743.45
Add : Transfer from Profit & Loss account	1,500.00	1,300.00
	21,543.45	**20,043.45**
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	4,321.69	4,225.31
Add: profit for the year	2,509.10	1,745.99
Add / (Less): OCI for the year	(14.36)	(2.14)
	6,816.43	**5,969.16**
Less: Appropriations :		
Dividend on equity shares	288.42	288.42
Dividend distribution tax on dividend	58.72	59.05
Transfer to General Reserve	1,500.00	1,300.00
Balance carried forward	**4,969.29**	**4,321.69**
Total	**27,269.48**	**25,121.88**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 11.2 Dividend distribution made and proposed (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
Cash dividends on Equity shares declared and paid		
Final dividend for year ended 31-March-2016: ₹ 5/- per share (31-March-2015: ₹ 5/- per share)	288.42	288.42
Dividend distribution tax on final dividend	58.72	59.05
	347.14	**347.47**
Proposed dividends on Equity shares		
Final dividend for year ended 31-March-2017: ₹ 5/- per share (31-March-2016 : ₹ 5/- per share)	288.42	288.42
Dividend distribution tax on final proposed dividend	58.72	59.05
	347.14	**347.47**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March.

Note 12(a) : Trade Payables (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Current			
Trade payables	1,384.49	2,288.17	2,655.66
Total	**1,384.49**	**2,288.17**	**2,655.66**

There is no principal amount and interest overdue to Micro and Small Enterprises as at the year end. 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.

Note 12(b) : Other Financial Liabilities (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Current			
Security Deposits	36.23	1.69	31.41
Unpaid dividend	14.99	13.91	13.00
Payable in respect of capital goods	245.71	19.86	6.76
Total	**296.93**	**35.46**	**51.17**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

12(c) Financial Liabilities By Category

(₹ in Lakh)

Particulars	FVTPL	Amortised cost
31-March-2017		
Trade payable	-	1,384.49
Other financial liabilities	-	296.93
Total Financial liabilities	**-**	**1,681.42**
31-March-2016		
Trade payable	-	2,288.17
Other financial liabilities	-	35.46
Total Financial liabilities	**-**	**2,323.63**
01-April-2015		
Trade Payable	-	2,655.66
Other financial liabilities	-	51.17
Total Financial liabilities	**-**	**2,706.83**

For Financial instruments, risk management objectives and policies, refer Note 27.

Fair value disclosures for financial assets and liabilities are in Note 25 and fair value hierarchy disclosures for investment are in Note 26.

Note 13 : Provisions

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Long-Term			
Provision for employee benefits (Refer Note 21)			
Provision for Compensated Absences	86.73	55.68	59.04
	86.73	**55.68**	**59.04**
Short-Term			
Provision for employee benefits (refer Note 21)			
Provision for Compensated Absences	30.15	24.00	17.79
Provision for warranty	169.94	143.67	200.43
	200.09	**167.67**	**218.22**
Total	**286.82**	**223.35**	**277.26**

A provision of ₹ 169.94 Lakh (F. Y. 2015-16 ₹ 143.67 Lakh and F.Y 2014-15 ₹ 200.43 Lakh) has been recognized for expected warranty claims at 1% on products sold during the current financial year. The warranty claims are for period of 12 months and hence it is expected that the expenditure towards warranty will be incurred in the next financial year.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 14 : Other Current / Non-Current Liabilities (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Current			
Advance from Customers	36.00	24.98	19.38
Statutory & Other Liabilities	266.74	308.22	547.76
Total	**302.74**	**333.20**	**567.14**

Note 15 : Revenue from operations (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Sale of Products		
Domestic Sales	18,422.76	14,745.74
Export Sales	58.05	128.25
	18,480.81	**14,873.99**
Sale of Services		
Sale of services	4.68	0.89
	4.68	**0.89**
Other operating revenue		
Sale of Scrap	42.02	54.22
Windmill Electricity Income	13.01	24.16
	55.03	**78.38**
Total	**18,540.52**	**14,953.26**

Note 16 : Other income (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Other Income		
Interest Income	76.19	51.08
Dividend Income	323.57	238.52
Profit/Loss on Sales of Assets (Net of Losses)	-	1.01
Gain on Account of Exchange Variation (Net)	-	2.82
Rent Income	50.12	36.17
Gain on sale of investments	200.64	-
Gain on Fair valuation /Sale of Investment at FVTPL	609.07	366.76
Duty Draw Back Claim	1.10	4.53
Miscellaneous Income	87.78	52.50
Total	**1,348.47**	**753.39**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 17 : Cost of raw materials and components consumed

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Inventory at the beginning of the year	1,239.64	1,378.18
Add : Purchases	5,909.60	4,558.59
	7,149.24	**5,936.77**
Less : Inventory at the end of the year	1,656.95	1,239.64
Cost of Raw material	5,492.29	4,697.13
Total	**5,492.29**	**4,697.13**

Note 18 : Purchases of stock-in-trade

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Purchase of traded goods	2,740.94	2,639.46
Total	**2,740.94**	**2,639.46**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Inventory at the begining of the year		
Stock-in-trade	985.66	1,116.58
Work-in-progress	867.46	393.04
Finished Goods	678.45	204.94
	2,531.57	**1,714.56**
Inventory at the End of the Year		
Stock-in-trade	898.13	985.66
Work-in-progress	633.32	867.46
Finished Goods	230.30	678.45
	1,761.75	2,531.57
Total	**769.82**	**(817.01)**

Note 20 : Manufacturing Expense and Erection Charges

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Stores, Tools and Spares Consumed	229.18	160.29
Power and Fuel	7.97	2.08
Total	**237.15**	**162.37**

Note 21 : Employee Benefits Expense

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Salaries, Wages and Bonus	1,357.38	1,311.90
Contribution to Provident Fund	60.56	58.30
Staff Welfare Expenses	40.81	56.14
Employees' Retirement Benefits	34.74	18.67
Total	**1,493.49**	**1,445.01**

Note 22 : Finance Costs

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Interest Expense	0.09	0.09
Other Borrowing Cost	38.17	29.25
Total	**38.26**	**29.34**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 23 : Other Expenses (₹ in Lakh)

Particulars (For the Year Ended)	31-March 2017	31-March-2016
Rent	95.68	94.16
Computer Software Charges	45.44	81.36
Rates & Taxes	100.60	58.91
Excise Duty (excluding Duty recovered from Customers)	(53.87)	48.89
Repairs and Maintenance :		
- Building	183.77	113.64
- Machinery	235.64	209.67
- Others	122.28	144.68
Insurance (Net of recoveries)	23.00	31.89
Travelling Expense	178.61	147.89
Directors' Fees	9.55	9.51
Commission to Non-Executive Directors	10.00	15.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	189.14	137.77
Compensation to Distributor	1,935.23	1,660.61
Warranty Claim Replacement	169.94	143.67
Provision for Bad Debts Written Off	65.61	-
Advertisements & Sales Promotion Expenses	8.20	10.82
Payment to Auditors (Refer Note Below)	4.67	5.62
Donations	100.06	41.55
Expendinture on Corporate Social Responsibility (Refer Note No.34)	54.00	52.34
Lease Rentals	46.12	4.20
Other Professional Consultancy Fees	200.18	178.85
General Administrative Charges	461.05	415.84
Profit/Loss on Sales of Assets (Net of Losses)	10.05	-
Loss on Account of Exchange Variation (Net)	4.04	-
Total	**4,198.99**	**3,606.87**

Payment to Auditors (Net of Service Tax)

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Statutory Auditors		
As Auditors		
Audit fees	1.51	1.50
Taxation matters	-	0.99
Limited review fees	0.75	0.75
Certification fees	0.95	0.90
Reimbursement of expenses	1.46	1.48
Total	**4.67**	**5.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Research and Development Expenses

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Cost of Material Consumed	159.09	67.28
Salaries, Wages and Bonus	182.11	183.44
Contribution to Providend and Other Funds	11.63	11.25
Travelling, Conveyance and Other Expenses	24.80	47.55
Total	**377.63**	**309.52**

Note 24 : Income Tax

The major component of income tax expense for the years ended 31 March, 2017 and 31 March, 2016 are :

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Statement of Profit and Loss		
Current tax		
Current Income Tax	671.29	620.00
Adjustment in respect of current tax of previous years	8.62	-
	679.91	**620.00**
Deferred Tax		
Relating to Origination and reversal or temporary difference and MAT Credit	(209.82)	(2.76)
Income Tax Expense Reported in the Statement of Profit and Loss	**470.09**	**617.24**

OCI Section

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(7.60)	(1.14)
Deferred Tax Charged to OCI	**(7.60)**	**(1.14)**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March- 2017 and 31-March-2016.

A) Current tax

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Accounting profit before tax from continuing operations	2,979.19	2,363.23
Tax @ 34.608% (31-March-2016: 34.608)	1,031.04	817.87
Adjustment		
In respect of additional allowance for R & D expense	(130.69)	(107.76)
In respect of Exempted income	(186.95)	(105.19)
In respect of Expense disallowed	10.81	15.00
In respect of standard deduction on rent income	(4.46)	(2.68)
In respect tax rate difference on profit on sale of investment	(249.66)	-
At the effective income tax rate of 15.78% (31-March-2016 : 26.11%)	**470.09**	**617.24**

B) Deferred tax

Particulars (For the Year Ended)	Balance Sheet			Statement of Profit and Loss	
	31-March-2017	31-March-2016	1-April-2015	31-March-2017	31-March-2016
Depreciation difference	880.48	949.30	1,076.16	(68.82)	(126.85)
Disallowances u/s 43 B of Income Tax Act	(135.52)	(110.59)	(104.27)	(17.30)	(5.18)
Provision for Doubtful debts & advances	(22.71)	-	-	(22.71)	-
On Unrealised gain on fair valuation of investment	224.39	256.80	127.52	(66.70)	129.27
Unused Tax Credit (MAT)	(34.29)	-	-	(34.29)	-
Deferred tax expense/(income)				**(209.82)**	**(2.76)**
Net deferred tax assets/(liabilities)	**912.35**	**1,095.51**	**1,099.41**		
Reflected in the balance sheet as follows					
Deferred Tax Assets	(192.52)	(110.59)	(104.27)		
Deferred Tax Liabilities	1,104.87	1,206.10	1,203.68		
Deferred Tax Liabilities (Net)	**912.35**	**1,095.51**	**1,099.41**		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31-March-2017 and 31-March-2016, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 25 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars as at	Carrying Amount			Fair Value		
	31-March-2017	31-March-2016	01-April-2015	31-March-2017	31-March-2016	01-April-2015
Financial assets						
Investments measured at fair value through profit or loss	13,686.98	11,547.67	7,272.28	13,686.98	11,547.67	7,272.28
Investments measured at amortised cost	584.79	584.79	584.79	624.97	607.34	609.90
Total	**14,271.77**	**12,132.46**	**7,857.07**	**14,311.95**	**12,155.01**	**7,882.18**

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Note 26 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31-March-2017, 31-March-2016 and 01-April-2015.

Particulars as at	Fair value measurement using				
	Date of valuation	Total	"Quoted prices in active markets (Level 1)"	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
As at 31-March-2017					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**31-March-2017**	669.79	669.79	-	-
Investment in Mutual fund -unquoted	**31-March-2017**	13,017.19		13,017.19	
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March-2017**	584.79	584.79		
Investment property	**31-March-2017**	917.57	-	-	917.57

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Particulars as at	Fair value measurement using				
	Date of valuation	Total	"Quoted prices in active markets (Level 1)"	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
As at 31-March- 2016					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**31-March-2016**	545.80	545.80		-
Investment in Mutual fund -unquoted	**31-March-2016**	11,001.87	-	11,001.87	-
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March-2016**	584.79	584.79	-	-
Investment property	**31-March-2016**	816.00	-	-	816.00
As at 01-April-2015					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**01-April -2015**	567.26	567.26		-
Investment in Mutual fund -unquoted	**01-April -2015**	6,705.02		6,705.02	
Assets for which fair values are disclosed					
Investment in Bonds, quoted		584.79	584.79	-	-
Investment property	**01-April -2015**	716.40	-	-	716.40

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

Note 27 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

"The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity."

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2017, 31-March-2016 and 01-April-2015, including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate. Hence the Company does not have any interest rate risk at the present.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in EUR/USD. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currentcy risk is assessed by the Company is low.

Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer

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

contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in Lakh)

The ageing analysis of trade receivables as of the reporting date is as follow:

Trade receivables as at	Neither past due nor impaired (including nbilled)	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2017	3419.85	947.96	212.63	178.18	131.04	4,889 .66
31-March-2016	3,962.34	801.43	116.27	93.85	205.78	5,179.67
01-April-2015	6,597.19	1,621.72	416.36	138.02	67.33	8,840.62

The requirement of impairment is analysed as each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as on 31-March-2017, 31-March-2016 & 01-April-2015 is the carrying amount as disclosed in Note 25.

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

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

(₹ in Lakh)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended 31-March-2017						
Trade payables	-	**48.49**	**1,336.00**	-	-	-
Other financial liabilities						
Payable for capital goods	51.22		**245.71**			
	51.22	**48.49**	**1,581.71**			
Year ended 31-March-2016						
Trade Payables	-	341.24	1,946.93	-	-	-
Other financial liabilities	15.60					
Payable for capital goods			19.86			
	15.60	341.24	1,966.79			
Year ended 01-April-2015						
Trade payables	-	6.04	2,649.62	-	-	-
Other financial liabilities	44.41		6.76			
	44.41	**6.04**	**2,656.38**			

Note 28 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

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

(₹ in Lakh)

Particulars	Year ended 31-March-2017	Year ended 31-March-2016	Year ended 01-April-2015
Trade and other payables (Note 12 & 14)	1,948.16	2,631.85	3,254.59
Less: cash and cash equivalent \ (including other bank balance) (Note6)	(242.79)	(151.94)	(425.34)
Net Debt	**1,705.37**	**2,479.91**	**2,829.25**
Equity share capital (Note 10)	576.84	576.84	576.84
Other equity (Note 11)	27,269.48	25,121.88	23,725.50
Total Capital	**27,846.32**	**25,698.72**	**24,302.34**
Capital and Net Debt	**29,551.69**	**28,178.63**	**27,131.59**
Gearing Ratio	**6%**	**9%**	**10%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2017, 31-March-2016 and 01-April-2015.

Note 29 : Contingent Liabilities

(₹ in Lakh)

	Particulars (As on)	31-March-2017	31-March-2016	01-April-2015
	Contingent liabilities not provided for			
a.	Guarantee given by the Company on behalf Elecon Engineering Co. Ltd.	2,426.39	2,942.40	2,773.77
b.	Guarantees issued by Banks	1,761.38	2,032.10	2,252.59
c.	Income tax demands disputed by the Company	20.62	105.13	112.78
d.	Sales tax demands disputed by the Company	75.30	121.92	53.73
e.	Excise & Service tax demands disputed by the Company	1,007.56	1,009.09	1,006.89

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

Note 30 : Capital commitment and other commitments

Particulars (As on)	31-March-2017	31-March-2016	01-April-2015
Capital commitments			
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	403.62	306.30	121.45
Other commitments	-	-	-

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

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 74.12 Lakh. (31-March-2016: ₹ 69.44 lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
Provident Fund	60.56	58.30
Superannuation Fund	13.56	11.14
	74.12	**69.44**

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

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

31-March-2017 : Changes in defined benefit obligation and plan assets (₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	01-April-2016	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	Sub-total included in OCI	Asset Transfer In/ Trans-fer Out	Contribu-tions by employer	31-March-2017
Gratuity													
Defined benefit obligation	342.09	15.60	26.89	42.49	(28.15)			10.86	7.76	18.62	1.05		376.10
Fair value of plan Assets	356.58		28.03	28.03	(28.15)	(3.34)				(3.34)	(6.43)	25.59	372.27
Benefit liability/(Asset)	(14.49)	15.60	(1.14)	14.46	-	3.34	-	10.86	7.76	21.96	7.48	(25.59)	3.83
Total benefit liability/ (Asset)	**(14.49)**	**15.60**	**(1.14)**	**14.46**	**-**	**3.34**	**-**	**10.86**	**7.76**	**21.96**	**7.48**	**(25.59)**	**3.83**

31-March-2016 : Changes in defined benefit obligation and plan assets (₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	01-April-2015	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	Sub-total included in OCI	Asset Transfer In/ Transfer Out	Contribu-tions by employer	31-March-2016
Gratuity													
Defined benefit obligation	325.14	16.09	25.75	41.84	(28.77)	-		1.02	2.86	3.88		-	342.09
Fair value of plan assets	349.73		27.70	27.70	(28.77)	0.59		-	-	0.59	5.64	1.69	356.58
Benefit liability / (assets)	(24.59)	16.09	(1.95)	14.14	0.00	(0.59)	0.00	1.02	2.86	3.29	(5.64)	(1.69)	(14.49)
Total benefit liability/(assets)	**-24.59**	**16.09**	**-1.95**	**14.14**	**-**	**-0.59**	**-**	**1.02**	**2.86**	**3.29**	**-5.64**	**-1.69**	**-14.49**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31-March-2017 (%) of total plan assets	Year ended 31-March-2016 (%) of total plan assets	Year ended 01-April-2015 (%) of total plan assets
Insured fund	100%	100%	100%
(%) of total plan assets	**100%**	**100%**	**100%**

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

(₹ in Lakh)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended 31-March-2017	Year ended 31-March-2016	Year ended 01-April-2015
Discount rate	7.27%	7.86%	7.92%
Future salary increase	7.00%	7.00%	7.00%
Expected rate of return on plan assets	7.27%	7.86%	7.92%
Attrition rate	2.00%	2.00%	2.00%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity (₹ in Lakh)

		(increase) / decrease in defined benefit obligation (Impact)		
Particulars	**Sensitivity Level**	**Year Ended 31-March-2017**	**Year Ended 31-March-2016**	**Year Ended 01-April-2015**
Gratuity				
Discount Rate	1% increase	(17.94)	(16.08)	(15.32)
	1% decrease	20.43	18.18	17.29
Salary Increase	1% increase	20.29	18.16	17.27
	1% decrease	(18.15)	(16.34)	(15.58)
Attrition Rate	1% increase	0.15	0.75	0.79
	1% decrease	(-0.19)	(0.87)	(0.91)

The followings are the expected future benefit payments for the defined benefit plan : (₹ in Lakh)

Particulars	Year Ended 31-March-2017	Year Ended 31-March-2016	Year Ended 01-April-2015
Gratuity			
Within the next 12 months (next annual reporting period)	105.08	94.30	77.56
Between 2 and 5 years	113.15	120.35	146.96
Beyond 5 years	186.70	226.81	180.43
	404.93	**441.46**	**404.95**
Total Expected Payments	**404.93**	**441.46**	**404.95**

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

(₹ in Lakh)

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended 31-March-2017	Year ended 31-March-2016	Year ended 01-April-2015
Gratuity (Years)	13	13	13

(₹ in Lakh)

The followings are the expected contributions to planned assets for the next year:

Particulars	Year ended 31-March-2017	Year ended 31-March-2016	Year ended 01-April-2015
Gratuity	21.07	1.11	-

C. Other Long Term Employee Benefit Plans

Leave encashment / Compensated absences

Salaries, Wages and Bonus include ₹ 37.19 Lakhs (Previous Year ₹ 9.14 Lakhs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Note 32 : Related Party Transactions

As per the Indian Accounting Standard on “Related Party Disclosures” (IND AS 24), the related parties of the Company are as follows :

a. Name of Related Parties and Nature of Relationship :

a. Associate	Eimco Elecon Electricals Ltd.
b. Individual/Enterprise having control/ significant influence	Shri P. B. Patel Elecon Engineering Co. Ltd.
c. Key Management Personnel	Shri P. B. Patel Shri M. G. Rao Shri N. D. Shelat Smt. B. L. Isarani
d. Enterprises over which (b) or (c) above have significant influence	EMTICI Engineering Ltd. Prayas Engineering Ltd. Power Build Pvt. Ltd. Elecon Information Technology Ltd. Madhubhan Prayas Resorts Ltd. Akaaish Mechatronics Ltd. Speciality Woodpack Pvt. Ltd. Elecon Peripherals Ltd. Bipra Investments & Trusts Pvt. Ltd. Devkishan Investments Pvt. Ltd. K. B. Investments Pvt. Ltd. Aishpra Properties Pvt. Ltd. Akaaipra Infracon Pvt. Ltd BIP Buildcon Pvt. Ltd.

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

Jamko Consultants Pvt. Ltd.
Kirloskar Power Build Gears Ltd.
Madhuban Heights Pvt. Ltd.
MTC Buildcon Pvt. Ltd.
Akaaish Investments Pvt. Ltd.
Wizard Fincap Ltd.
Tech Elecon Pvt. Ltd.
Elecon Hydraulics Pvt. Ltd.
Vijay M. Mistry Construction Pvt. Ltd.
Elecon Australia Pty. Ltd.
Elecon Africa Pty. Ltd.
Elecon Singapore Pte. Ltd.
Elecon Middle East FZCO
Elecon Engineering (Suzhou) Co Ltd.
Elecon Transmission International Ltd.
Power Build Transmission International Ltd.
Elecon UK Transmission Ltd.
Elecon USA Transmission Ltd.
David Brown System Sweden AB, Sweden
AB Benzlers, Sweden
Benzler Technisch Buro Aandrijftechniek B.V. (The Netherlands)
Banzler Transmission A.S (Denmark)
Benzler Andtriebstech nik GmbH, Germany
OY Benzler AB (Finland)
Radicon Transmission (Thailand) Ltd.
Radicon Transmission System (Thailand) Ltd.
Radicon Transmission (Australia) Pty. Ltd.

e Collaborators — Sandvik AB Sweden
Tamrock Great Britain Holdings Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

b. Disclosure in respect of Related Party Transactions : (₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Purchase of Material		
Elecon Engineering Company Ltd.	601.37	526.80
Power Build Pvt. Ltd.	1.70	0.70
Speciality Woodpack Pvt. Ltd.	16.50	20.27
Eimco Elecon Electricals Ltd.	95.39	61.70
Elecon Peripherals Ltd.	6.69	3.46
Elecon Hydraulics Pvt. Ltd.	48.74	-
Job work Income		
Elecon Engineering Company Ltd.	2.35	0.89
Job work Expenses		
Elecon Engineering Company Ltd.	2.03	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Sale of Finished Goods, Consumables & Scrap		
Elecon Engineering Company Ltd.	25.69	30.22
Speciality Woodpack Pvt. Ltd.	1.95	1.40
Eimco Elecon Electricals Ltd.	0.24	0.02
Sandvik Asia Pvt. Ltd. (Pune)	-	0.33
Elecon Hydraulics Pvt. Ltd.	13.31	-
Vijay M. Mistry Construction Pvt. Ltd.	0.41	-
Purchase of Fixed Assets		
Elecon Information Technology Ltd.	-	15.05
Tech Elecon Pvt. Ltd.	248.75	-
Sale of Fixed Assets		
Elecon Engineering Company Ltd.	1.09	-
Eimco Elecon Electricals Ltd.	-	0.41
Sale of Investment		
Elecon Peripherals Ltd.	80.20	-
EMTICI Engineering Ltd.	131.55	-
Expenses Charged to		
Elecon Engineering Company Ltd.	5.02	64.50
Expenses Charged by		
Elecon Engineering Company Ltd.	55.02	54.26
Speciality Woodpack Pvt. Ltd.	13.62	12.39
Elecon Information Technology Ltd.	11.46	112.74
Akaaish Mechatronics Ltd.	130.88	129.79
EMTICI Engineering Ltd.	58.13	53.43
Wizard Fincap Ltd.	17.33	15.64
Madhubhan Resort & Spa	6.23	3.39
Tech Elecon Pvt. Ltd.	80.52	-
Devkishan Investments Pvt. Ltd.	41.92	-
Sales Commission		
EMTICI Engineering Ltd.	1,635.09	1,325.88
Reimbursement of Expense paid / payable		
Elecon Engineering Company Ltd.	17.36	8.89

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

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Reimbursement of Expense Received / Receivable		
Elecon Engineering Company Ltd.	-	1.93
Remuneration to Key management person		
Shri P. B. Patel	3.17	-
Shri M. G. Rao	90.99	72.40
Shri N. D. Shelat	28.45	26.81
Smt. B. L. Isarani	7.60	-
Dividend Paid		
Tamrock Great Britain Holdings Ltd.	72.39	72.39
Elecon Engineering Company Ltd.	47.92	47.92
EMTICI Engineering Ltd.	40.92	40.92
K B Investments Private Ltd.	24.35	24.35
BIPRA Investments and Trusts Private Ltd.	9.41	9.41
Elecon Information Technology Ltd.	7.38	7.38
Devkishan Investments Pvt. Ltd.	6.05	6.05
Prayas Engineering Ltd.	1.87	1.87
Akaaish Mechatronics Ltd.	1.30	1.30
Power Build Pvt. Ltd.	0.80	0.80
Guarantees and Collaterals given		
Elecon Engineering Company Ltd.	2,426.39	2,942.40

c. Balance as at year end :

(₹ in Lakhs)

Nature of Transactions		Year Ended		
		31-March-2017	31-March-2016	01-April-2015
Outstanding Payables :				
(a)	**Associate**			
	Eimco Elecon Electricals Ltd.	14.67	(2.49)	24.91
(b)	**Individual/Enterprise having control/ significant influence**			
	Elecon Engineering Company Ltd.	22.67	105.03	61.35
(c)	**Key Management Personnel**			
	Shri M. G. Rao	5.00	5.00	5.00
(d)	**Enterprises over which (b) or (c) above have significant influence**			
	Elecon Peripherals Ltd.	2.95	-	-
	EMTICI Engineering Ltd.	282.22	159.36	514.09
	Madhubhan Prayas Resorts Ltd.	-	0.08	-
	Elecon Information Technology Ltd.	2.58	22.48	0.09

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

(₹ in Lakhs)

Akaaish Mechatronics Ltd.	0.42	-	7.58
Speciality Woodpack Pvt. Ltd.	5.45	6.84	6.45
Power Build Pvt. Ltd.	-	-	0.38
Elecon Hydraulics Pvt. Ltd.	33.33	-	-
Tech Elecon Pvt. Ltd.	236.55	-	-
Wizard Fincap Ltd.	0.77	1.17	0.78
Outstanding Receivables :			
(a) Associate			
Eimco Elecon Electricals Ltd.	-	0.71	0.29
(b) Individual/Enterprise having control significant influence			
Elecon Engineering Company Ltd.	23.09	54.73	80.52
(c) Enterprises over which (b) or (c) above have significant influence			
Speciality Woodpack Pvt. Ltd.	-	0.27	0.55
Elecon Information Technology Ltd.	-	-	0.88
Akaaish Mechatronics Ltd.	-	-	0.22
EMTICI Engineering Ltd.	0.10	-	0.47
Power Build Pvt. Ltd.	-	-	3.77
Elecon Hydraulics Pvt. Ltd.	13.31	-	-
Vijay M. Mistry Construction Pvt. Ltd.	(0.07)	-	-
(d) Collaborators:			
Sandvik Asia Pvt Ltd.	(3.20)	13.00	15.35
Investment:			
(a) Associates			
Wizard Fincap Ltd.	-	24.95	24.95
Eimco Elecon Electricals Ltd.	51.00	51.00	51.00

d. Terms and conditions of transactions with related parties

Transaction entered into with related parties are made on terms equivalent to those that prevail in arm's length transactions.

e. Commitments with related parties

The Company has not provided any commitment to the related parties as at 31-March-2017, (31-March-2016: ₹ Nil and 01-April-2015: ₹ Nil)

f. Transactions with key management personnel

Compensation of key management personnel of the Company

Particulars	2016-17	2015-16
Short-term employee benefits	116.83	96.86
Post employment benefits	7.73	2.35
Other long-term employment benefits	-	
Total compensation paid to key management personnel	**124.56**	**99.21**

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

Note 33 : Earning per share

(₹ in Lakhs except EPS)

Particulars	2016-17	2015-16
Earing per Share (Basic and Diluted)		
Profit attributable to ordinary equity holders	2,509.10	1,745.99
Total No. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
Weighted average number of equity shares		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	43.50	30.27
Diluted earning per share	43.50	30.27

Note 34 : Corporate Social Responsibility (CSR) Activities:

a. 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 throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

b. Amount spent during the year on:

		Year Ended					
		31-March-2017			31-March-2016		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	54.00	-	54.00	52.34	-	52.34
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

Note 35 : First- time adoption of Ind AS

These financial statements, for the year ended 31-March-2017 are the first annual Ind AS financial statements, the Company has prepared in accordance with the Ind AS. For periods up to and including the year ended 31-March-2016, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on 31-March-2017, together with the comparative period data as at and for the year ended 31-March-2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 01-April-2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 01-April-2015 and the previously published Indian GAAP financial statements as at and for the year ended 31-March-2016.

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

Exemptions Applied

Ind AS 101 “First-time Adoption of Indian Accounting Standards” allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions

1. **Deemed Cost**

   Ind AS 101 permits a a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

   Accordingly, the Company has elected to measure certain classes of its property, plant and equipment at fair value on the date of transition to Ind AS and used those fair value as deemed cost of property, plant and equipment.

   Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Investment property and Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

   Accordingly, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Investment properties and Intangible assets, as recognised in its Indian GAAP financials, as deemed cost at the transition date.

2. **Investment in Associates**

   The Company has elected the option provided under Ind AS 101 to measure all its investments in Associates at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

Ind AS mandatory exceptions

1. **Estimates**

   An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

   Ind AS estimates as at 01-April-2015 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

   1. Investment measured at FVTPL

   The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01-April-2015, the date of transition to Ind AS and as of 31-March-2016.

2. **Classification and measurement of financial assets**

   Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

   Reconciliations between previous GAAP and Ind AS.

   Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the year ended 31-March-2016 and equity as at 01-April-2015 (Opening Balance Sheet).

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

The following tables represent the reconciliations from previous GAAP to Ind AS:

Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity as at 31-March-2016 & 01-April-2015 (₹inLakh)

As at	Notes	31-March-2016	01-April-2015
Equity under previous GAAP		**21,804.71**	**20,488.06**
Impact of fair valuation of Property, plant and equipment	i	3,513.42	3,774.09
Impact of fair valuation of Financial Instruments	ii	1,225.03	851.34
Proposed dividend reversed including tax on dividend	iii	347.14	347.47
Tax impact on Ind AS adjustments	v	(1,191.58)	(1,158.61)
Equity as per Ind AS		**25,698.72**	**24,302.34**

2. Reconciliation of total comprehensive income reconciliation for the year ended 31-March-2016

As at	Notes	2015-16
Profit after tax as per previous GAAP		**1,663.79**
Impact on depreciation on account of fair valuation of Property, plant and equipment	i	(260.67)
Impact of fair valuation of financial instruments	ii	375.84
Tax impacts on Ind AS adjustments	v	(32.97)
Profit after tax as per Ind AS		**1,745.99**
Other comprehensive income (net of tax)		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	iv	(2.14)
Total Comprehensive Income under Ind AS, net of tax		**1,743.85**

Notes to the reconciliation of equity as at 1-April-2015 and 31-March-2016 and total comprehensive income for the year ended 31-March-2016

i. Fair Valuation of Property, plant and equipment

The Company has elected to measure certain items of Property, Plant and Equipment (PPE) at fair value at the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The resulting change has been adjusted in retained earnings. Change in depreciation & amortisation of the subsequent period due to fair valuation of items of PPE have been recognised in statement of profit & loss. The following table summarizes the aggregate fair value and adjustment to the carrying amount reported under previous GAAP for items of PPE for which fair value measurement is adopted:

Asset	Previous Carrying value	Previous Carrying value	Impact on date of transition
Property, Plant and Equipment			
Freehold Land	19.26	2,294.30	2,275.04
Leasehold Land	905.26	854.80	-50.46
Building	566.72	746.30	179.58
Plant & equipment	1,897.66	3,273.37	1,375.71

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

ii. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any and current investment were measured at cost and fair value whichever is lower. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

iii. Proposed Dividend and tax thereon

Under Previous GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a dividend distribution is recognised as a liability in the period in which it is declared by the company (on approval of Shareholders in a general meeting) or paid. Therefore, the liability recorded under previous GAAP has been derecognised.

iv. Re-measurement gain / loss on defined benefit plan

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended on 31-March-2016 increased by ₹ 2.14 Lakhs (net of Tax). There is no impact on the total equity as at 31-March-2016.

v. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

vi. Retained Earnings

Retained earnings as at 01-April-2015 has been adjusted consequent to the above Ind AS transition adjustments.

vii. Classification & Presentation

a. Investment Property

Under the previous GAAP, Building given on lease has been shown as Investment property and disclosed under the head Investments. Under Ind AS, Building given on lease are disclosed separately as Investment property on the face of the Balance sheet.

b. Excise Duty

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by ₹950.63 lakhs with a corresponding increase in other expense.

viii. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

Note 36 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

In March 2017, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based Payment', respectively. The amendments are applicable to the Company from April 01, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 required the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company has evaluated the disclosure requirements of the amendment and the effect on the financial statements is not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the measurement of cash settled awards, modification of cash settled awards and awards that includes a net settlement features in respect of withholding taxes. As the Company does not have such nature of transaction, this amendment does not have any effect on the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

To,
The Members of **Eimco Elecon (India) Limited**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of EIMCO ELECON (INDIA) LIMITED (hereinafter referred to as "the Holding Company") and its associate (the Holding Company and its associate together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group, as at 31st March, 2017, and its consolidated financial performance including other comprehensive income, its consolidated statement of cash flows and the consolidated changes in equity for the year then ended.

Other Matters

The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 37.49/- Lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements in respect of an associate, whose financial statements has not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of associate company incorporated in India, none of the Directors of the Group Company Incorporated in India, is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated Ind AS financial position of the Group – Refer Note 29 of the Consolidated Ind AS financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There is no delay in transferring amounts, required to be transferred, to the investors Education and Protection Fund by the Holding Company and its associate incorporated in India.

      iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 6(f) to the consolidated Ind AS financial statements.

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

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

Place : Ahmedabad
Date : 18th May, 2017

ANNEXURE ‘A” TO THE AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Eimco Elecon (India) Limited (hereinafter referred to as “the Holding Company”) and its associate company which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its associate company, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one out of two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

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

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

Place : Ahmedabad
Date : 18th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakh)

		Note No.	31-March-2017	31-March-2016	01-April-2015
ASSETS					
I.	**Non-current assets**				
(a)	Property, plant and equipment	3	6,358.30	6,461.61	6,464.76
(b)	Capital work-in-progress		-	16.23	3.65
(c)	Investment property	4	390.12	412.81	436.95
(d)	Intangible assets	5	6.68	42.61	119.67
(e)	Financial assets				
	(i) Investments	6	7,679.20	7,098.73	6,028.74
	(ii) Other financial assets	6	291.39	257.05	267.53
(f)	Non-current tax assets (net)	9	167.94	338.74	347.87
(g)	Other non-current assets	7	-	-	216.50
			14,893.63	**14,627.78**	**13,885.67**
II.	**Current assets**				
(a)	Inventories	8	3,418.70	3,771.21	3,092.74
(b)	Financial assets				
	(i) Investments	6	6,960.18	5,517.59	2,270.01
	(ii) Trade receivables	6	4,889.66	5,179.67	8,840.62
	(iii) Cash and cash equivalents	6	227.80	138.03	412.34
	(iv) Bank Balances other than (iii) above	6	14.99	13.91	13.00
	(v) Others financial assets	6	10.70	11.60	10.70
(c)	Current tax assets (net)		-	-	50.92
(d)	Other current assets	7	975.29	870.98	742.68
			16,497.32	**15,502.99**	**15,433.01**
	Total Assets		**31,390.95**	**30,130.77**	**29,318.68**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity share capital	10	576.84	576.84	576.84
(b)	Other equity	11	27,586.06	25,529.76	24,091.20
			28,162.90	**26,106.60**	**24,668.04**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakh)

	Note No.	31-March-2017	31-March-2016	01-April-2015
LIABILITIES				
(I) Non - current liabilities				
(a) Long-term provisions	13	86.73	55.68	59.04
(b) Deferred tax liabilities (net)	24	912.35	1,095.51	1,099.41
		999.08	**1,151.19**	**1,158.45**
(II) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	12	1,384.49	2,288.17	2,655.66
(ii) Other financial liabilities	12	296.93	35.46	51.17
(b) Other current liabilities	14	302.74	333.20	567.14
(c) Short-term provisions	13	200.09	167.67	218.22
(d) Current tax liabilities (net)		44.72	48.48	-
		2,228.97	**2,872.98**	**3,492.19**
Total Equity and Liabilities		**31,390.95**	**30,130.77**	**29,318.68**

Summary of Standalone significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

	Note No.	31-March-2017	31-March-2016
INCOME			
Revenue from operations	16		
Sale of Products	15	18,480.81	14,873.99
Sale of Services	15	4.68	0.89
Operating Income	15	55.03	78.38
Revenue from operations		**18,540.52**	**14,953.26**
Other income	16	1,348.47	753.39
Total Income (I)		**19,888.99**	**15,706.65**
Expenses			
Cost of raw materials and components consumed	17	5,492.29	4,697.13
Purchase of traded goods	18	2,740.94	2,639.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	769.82	(817.01)
Excise Duty Expenses		1,421.16	950.63
Manufacturing Expense and Erection Charges	20	237.15	162.37
Employee benefits expense	21	1,493.49	1,445.01
Finance Costs	22	38.26	29.34
Depreciation and amortisation expense		517.70	629.62
Other Expenses	23	4,198.99	3,606.87
Total Expenses (II)		**16,909.80**	**13,343.42**
Profit before share in profit / (loss) of associates and tax (III) = (I-II)		**2,979.19**	**2,363.23**
Share in income of associates (IV)		**(37.49)**	**42.18**
Profit before tax (V)		**2,941.70**	**2,405.41**
Tax Expense			
Current tax	24	671.29	620.00
Adjustment of tax relating to earlier periods	24	8.62	-
Deferred tax	24	(209.82)	(2.76)
Total tax expense (IV)		**470.09**	**617.24**
Profit for the year (VII) = (V-VI)		**2,471.61**	**1,788.17**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

For the Year Ended	Note No.	31-March-2017	31-March-2016
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(21.96)	(3.28)
Income tax effect of the above		7.60	1.14
		(14.36)	**(2.15)**
Net other comprehensive income not to be reclassified to Profit or Loss in subsequent periods		(14.36)	(2.15)
Total other comprehensive income for the year, net of tax (VIII)		**(14.36)**	**(2.15)**
Total comprehensive income for the year, net of tax attributable to equity share holders IX = (VII + VIII)		**2,457.25**	**1,786.03**
Earning per equity share [nominal value per share ₹ 10/- (31-March-2016: ₹10/-)]			
Basic		42.85	31.00
Diluted		42.85	31.00

Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Particulars	31-March-2017	31-March-2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	**2,941.70**	**2,405.41**
Adjustments to reconcile profit before tax to net cash flows:		
1) Depreciation and Amortisation	517.70	629.62
2) Finance Cost	0.09	1.20
3) Gain on sale / fair valuation of Investment	(609.07)	(366.76)
4) Gain on Sale of Fixed Assets (Net)	10.05	(1.01)
5) Interest Income	(76.19)	(51.08)
6) Dividend Income	(323.57)	(238.52)
7) Remeasurement of Employee benefit expense	(21.96)	(3.28)
Operating Profit before working capital changes	**2,438.75**	**2,375.58**
Working Capital Adjustments		
1) Trade and other receivables	290.01	3,660.95
2) Inventories	352.51	(678.47)
3) Other financial assets	(33.44)	9.58
4) Other current and non-current assets	(104.31)	88.20
5) Trade payables	(903.68)	(367.49)
6) Other payables	33.01	(287.85)
7) Other financial liabilities	260.39	(16.62)
Cash Generated from Operations	**2,333.24**	**4,783.88**
Less :		
1) Direct taxes paid	471.44	511.47
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,861.80**	**4,272.41**
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
1) Sale of fixed assets	19.14	5.06
2) Interest received	76.19	51.08
3) Dividend received	323.57	238.52
4) Sale of investment in Associate	211.75	-
Less :		
1) Purchase of investments (net)	(1,679.54)	(3,950.81)
2) Purchase of fixed assets	(375.92)	(541.89)
3) Unpaid Dividend Account	(1.08)	(0.91)
NET CASH GENERATED FROM INVESTING ACTIVITIES	**(1,425.89)**	**(4,198.95)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Particulars	31-March-2017	31- March-2016
CASH FLOW FROM FINANCING ACTIVITIES:		
1) Interest Paid	(0.09)	(1.20)
2) Dividend Paid	(287.33)	(287.52)
3) Tax on Dividend	(58.72)	(59.05)
NET CASH USED IN FINANCING ACTIVITY	**(346.14)**	**(347.77)**
Net increase / (decrease) in cash and cash equivalents	**89.77**	**(274.31)**
Opening Cash and Cash equivalents	**138.03**	**412.34**
Closing Cash and Cash equivalents (Refer Note 13)	**227.80**	**138.03**
Components of Cash & Cash Equivalents :-		
Cash on hand	0.05	0.10
Balances with banks		
In Current Accounts	227.75	137.93
	227.80	**138.03**

As per our report of even date attached
For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

Attributable to the Equity Holders of the Parent (₹ in lakh)

Particulars	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 16	Note 17	Note 17	Note 17	Note 17	
Balance as at 01-April-2015	**576.84**	**2.91**	**18,743.45**	**753.83**	**4,591.01**	**24,668.04**
Profit for the year	-		-	-	1,788.18	**1,788.18**
Share in associate		-				**-**
Other comprehensive income for the year	-		-	-	(2.14)	**(2.15)**
Total Comprehensive Income for the Year	-	-	-	-	1,786.03	1,786.03
Dividend	-	-	-	-	(288.42)	(288.42)
Dividend distribution tax	-	-	-	-	(59.05)	(59.05)
Transfer from Retained earnings	-	-	1,300.00	-	(1,300.00)	-
Balance as at 31-March-2016	**576.84**	**2.91**	**20,043.45**	**753.83**	**4,729.57**	**26,106.60**
Profit for the year	-		-	-	2,471.61	2,471.61
Share in associate (on sale of investment)		-			(53.81)	(53.81)
other comprehensive income for the year	-		-	-	(14.36)	(14.36)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**2,403.44**	**2,403.44**
Dividend	-		-	-	(288.42)	(288.42)
Dividend distribution tax	-		-	-	(58.72)	(58.72)
Transfer from Retained earnings	-		1,500.00	-	(1,500.00)	-
Balance as at 31-March-2017	**576.84**	**2.91**	**21,543.45**	**753.83**	**5,285.87**	**28,162.90**

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date attached

For **TALATI & TALATI**
Chartered Accountants
ICAI Firm's Registration No.110758W

UMESH H. TALATI
Partner
Membership No.34834

Place : Ahmedabad
Date : 18th May, 2017

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

The Consolidated Financial Statement comprises financial statement of Eimco Elecon (India) Ltd. and its associates Eimco Elecon Electricals Ltd. Shares in Wizard Fincap Ltd. (Associate Co.) were disposed off during the last quarter ended on 31-March-2017. Eimco Elecon (India) Limited is a public company domiciled in India incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 18-May-2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31-March-2016, the group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31-March-2017 are the first the group has prepared in accordance with Ind AS. Refer to note 35 for information on how the group adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its associates as at 31-March-2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

► Exposure, or rights, to variable returns from its involvement with the investee, and Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

► The contractual arrangement with the other vote holders of the investee

► Rights arising from other contractual arrangements

► The Group's voting rights and potential voting rights

► The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

a. Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Summary of Significant Accounting Policies

a. Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Operating cycle of the group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

Operating cycle of the group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b. Foreign currencies

The group's financial statements are presented in INR, which is also the group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognisedin the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Management determines the policies and procedures for both recurring fair value measurement and non recurring fair value measurement.

External values are involved for valuation of significant assets, such as properties and Involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (Note No. 2.3)
- Quantitative disclosures of fair value measurement hierarchy (Note No. 26)
- Investment properties (Note No. 2.2 (g) & Note No.4)
- Financial instrument (Note No. 2.2 (o))

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Sale of goods

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added tax. With regard to sale of product, 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. The group provides normal warranty provisions for general repairs for 12-18 months on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold – see Note 15 for more information. The group does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Dividend income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

f. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013 except for plant & Machinery and Road.

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

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transition to Ind AS

On transition to Ind AS, the group has elected to measure certain items of property, plant and equipment at fair value as at 01-April-2015 and used that fair value as deemed cost of the property, plant and equipment.

g. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

Transition to Ind AS

Since there is no change in functional currency, the group has elected to continue with the carrying value of all of its Investment properties as at the date of transition measured as per the previous GAAP and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. 01-April-2015.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates he useful life of assets as under

Assets	Year
Technical Knowhow	7 years
Software	7 years

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its Intangible assets as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. 01-April-2015.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the groupis classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Company as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory is determined after deducting rebate and discounts.

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

l. Impairment of non-financial assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m. Provisions

General

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Warranty provisions

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.

n. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the group.

b) Post-Employment Benefits

(i) Defined contribution plan

These are plan in which the group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises of contribution to Employee provident fund and superannuation fund. The group payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(ii) Defined benefit plan

Expenses for defined 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 the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

o. Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

Financial Assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial assets is measured at the amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').The group has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

Derecognition of financial assets

A financial asset is derecognised when:

(a) the contractual rights to the cash flows from the financial asset expire,

or

(b) The group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p. Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

r. Dividend distribution

The group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

s. Earnings per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.4. Significant accounting judgments, estimates and assumptions

The preparation of the group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Finance lease commitments – Company as lessee

The group has entered into leases whereby it has taken land on lease. The group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

The group generally offers 12-18 months warranties for the product sold. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the group’s productivity and quality initiatives.

Intangible assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

Property, plant and equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 3 : Property, Plant and Equipment

(₹ in lakh)

Particulars	Land Freehold	Land Leasehold	Buildings	Plant & Equip-ment	Furniture & Fixture	Vehicles	Office Equip-ment	Electrical Fittings	Jigs	Total	CWIP
Cost											
As at 1-April-2015	**2,294.30**	**854.80**	**1,121.13**	**3,102.08**	**246.55**	**272.16**	**743.38**	**108.57**	**171.28**	**8,914.25**	**3.65**
Additions	-	23.93	441.40	-	13.02	6.78	35.24	5.91	3.04	529.32	187.66
Deductions	-	-	-	11.23	-	14.89	0.85	-	-	26.97	175.08
As at 31-March-2016	**2,294.30**	**878.73**	**1,562.53**	**3,090.85**	**259.57**	**264.05**	**777.77**	**114.48**	**174.32**	**9,416.60**	**16.23**
Additions	-	-	72.87	29.39	7.01	-	263.64	12.03	-	384.94	854.74
Deductions	-	-	-	202.01	0.15	78.00	29.74	-	-	309.90	870.97
As at 31-March-2017	**2,294.30**	**878.73**	**1,635.40**	**2,918.23**	**266.43**	**186.05**	**1,011.67**	**126.51**	**174.32**	**9,491.64**	**0.00**
Depreciation and Impairment											
As at 1-April-2015	**-**	**-**	**8.34**	**1,149.06**	**241.38**	**194.18**	**630.10**	**99.99**	**126.44**	**2,449.49**	
Depreciation for the year	-		159.03	281.31	4.06	27.60	45.03	6.93	4.46	528.42	
Deductions	-	-	-	10.67	-	11.40	0.85		-	22.92	
As at 31-March-2016	**-**	**-**	**167.37**	**1,419.70**	**245.44**	**210.38**	**674.28**	**106.92**	**130.90**	**2,954.99**	
Depreciation for the year	-	-	169.72	219.92	3.99	13.75	45.12	1.97	4.61	459.08	
Deductions	-	-	-	191.71	0.15	61.03	27.84		-	280.73	
As at 31-March-2017	**-**	**-**	**337.09**	**1,447.91**	**249.28**	**163.10**	**691.56**	**108.89**	**135.51**	**3,133.34**	
Net Block											
As at 31-March-2017	**2,294.30**	**878.73**	**1,298.31**	**1,470.32**	**17.15**	**22.95**	**320.11**	**17.62**	**38.81**	**6,358.30**	
As at 31-March-2016	**2,294.30**	**878.73**	**1,395.16**	**1,671.15**	**14.13**	**53.67**	**103.49**	**7.56**	**43.42**	**6,461.61**	
As at 1-April-2015	**2,294.30**	**854.80**	**1,112.79**	**1,953.02**	**5.17**	**77.98**	**113.28**	**8.58**	**44.84**	**6,464.76**	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 4 : Investment Properties (Building)

Particulars	(₹ in Lakh)
Gross Block	
As at 01-April-2015	**524.12**
Additions	-
Deductions	-
As at 31-March-2016	**524.12**
Additions	-
Deductions	-
As at 31-March-2017	**524.12**
Depreciation and Impairment	
As at 01-April-2015	**87.17**
Depreciation for the year	24.14
Deductions	-
As at 31-March-2016	**111.31**
Depreciation for the year	22.69
Deductions	-
As at 31-March-2017	**134.00**
Net Block	
As at 31-March-2017	**390.12**
As at 31-March-2016	412.81
As at 01-April-2015	436.95

Information regarding income and expenditure of Investment Property (₹ in Lakh)

Particulars (For the year ended on)	31-March-2017	31-March-2016
Rental income derived from Investment Properties	44.75	33.15
Direct operating expenses (including repairs and maintenance) generating rental income	19.45	26.70
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and Indirect Expenses	**25.30**	**6.45**
Less : Depreciation	**22.69**	**24.14**
Profit arising from investment properties before Indirect Expenses	**2.61**	**(17.69)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

As at 31-March-2017, 31-March-2016 and 01-April-2015, the fair values of the properties are based on Market valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 26.

Fair Value of the Investment Properties are as under (Building)

Fair Value	**(₹ in Lakh)**
Balance as at 1-April-2015	**716.40**
Fair value difference for the year	99.60
Purchases	-
Balance as at 31-March-2016	**816.00**
Fair value difference for the year	101.57
Purchases	-
Balance as at 31-March-2017	**917.57**

Note 5 : Intangible Assets (Acquired) (₹ in lakh)

Particulars	Software License	Technical Knowhow	Total
Cost			
As at 01-April-2015	**349.19**	**301.40**	**650.59**
Additions	-	-	-
Deductions	-	-	-
As at 31-March-2016	**349.19**	**301.40**	**650.59**
Additions	-	-	-
Deductions	-	-	-
As at 31-March-2017	**349.19**	**301.40**	**650.59**
Amortisation and Impairment			
As at 01-April-2015	**244.09**	**286.83**	**530.92**
Amortisation for The Year	63.37	13.69	77.06
Deductions	-	-	-
As at 31-March-2016	**307.46**	**300.52**	**607.98**
Amortisation for The Year	35.05	0.88	35.93
Deductions	-	-	-
As at 31-March-2017	**342.51**	**301.40**	**643.91**
Net Block			
As at 31-March-2017	**6.68**	**-**	**6.68**
As at 31-March-2016	**41.73**	**0.88**	**42.61**
As at 1-April-2015	**105.10**	**14.57**	**119.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 6 : Financial Assets (₹ in lakh)

	Particulars as at		31-March-2017		31-March-2016		01-April-2015	
		Face Value	No of Share	Amount	No of Share	Amount	No of Share	Amount
6(a)	**Investments**							
	Non-current investments							
	Investment in Equity Shares of Associate at Cost							
	Eimco Elecon Electricals Limited	10	510,000	367.58	510,000	405.07	510,000	365.87
	Wizard Fincap Limited		-	-	249,500	78.76	249,500	75.78
	Investment at cost			**367.58**		**483.83**		**441.65**

Particulars	Face Value	No of Share	Amount	No of Share	Amount	No of Share	Amount
Investment in Equity Shares of others at Fair Value through Profit or Loss							
Quoted							
Bank of Baroda	2	3,500	6.05	3,500	5.15	3,500	5.72
Bharti Airtel Limited	5	2,655	9.29	2,655	9.31	2,655	10.44
Colgate-Palmolive (I) Limited	1	1,000	9.96	1,000	8.31	500	10.07
GOL Offshore Limited	10	238	0.04	238	0.10	238	0.14
Grasim Industries Limited	2	5,000	52.45	1,000	38.44	1,000	36.22
Hindustan Unilever Limited	1	1,500	13.67	1,500	13.04	1,500	13.10
Infosys Limited	5	7,424	75.89	7,424	90.45	3,712	82.35
ITC Limited	1	4,500	12.61	3,000	9.85	3,000	9.78
Larsen & Toubro Limited	2	750	11.81	750	9.13	750	12.90
Mahindra & Mahindra Limited	5	8,800	113.25	8,800	106.54	8,800	104.53
Reliance Industries Limited	10	5,100	67.36	5,100	53.31	5,100	42.13
Reliance Infrastructure Limited	10	390	2.22	390	2.08	390	1.69
Siemens Limited	2	294	3.70	294	3.23	294	4.11
State Bank of India	1	35,000	102.69	35,000	67.99	35,000	93.47
Tata Chemicals Limited	10	10,000	59.88	10,000	37.37	10,000	44.36
Tata Steel Limited	10	11,325	54.67	11,325	36.21	11,325	35.87
Tata Power Limited	1	57,000	51.50	57,000	36.85	57,000	43.95
Ultratech Cement Limited	10	571	22.75	571	18.44	571	16.43
Fair value of Quoted Equity Shares			**669.79**		**545.80**		**567.26**
Investment in equity shares of others at fair value through profit or loss							
Unquoted							
Charotar Gas Sahakari Mandali			0.03		0.03		0.03
Investment at Cost			**0.03**		**0.03**		**0.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2017		31-March-2016		01-April-2015	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment in Mutual funds at fair value through profit or loss						
Investment in Mutual funds (Unquoted):						
Reliance Fixed Horizon Fund - XXV Series 4 Growth (Lien)	-	-	2,500,000	126.50	2,500,000	281.15
Reliance Fixed Horizon Fund - XXIV Series -16 Growth (Lien)	-	-	1,000,000	61.05	1,000,000	116.62
SBI Debt Fund Series A 3 420 Days - Growth	574,812	74.62	574,812	127.48	574,812	63.70
SBI Debt Fund Series A 14 380 Days - Growth	515,507	66.06	515,507	305.00	515,507	56.36
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	-	-	499,620	60.75	499,620	56.20
Tata Fixed Maturity Fund - Series 46 Scheme A - Growth (Lien)	-	-	499,986	69.03	499,986	56.01
Tata Fixed Maturity Fund - Series 46 Scheme B - Growth (Lien)	-	-	1,046,672	61.07	1,046,672	117.44
ICICI Prudential MF FMP (Lien)	1000000	102.80	-	-	-	-
Reliance Fixed Horizon XXXII (Lien)	3000000	308.87	-	-	-	-
ICICI Pudential FMP Series 80	3000000	301.92				
Tata Short Term Bond Fund - Growth (Lien)	3,476,938	1077.67	2,156,454	608.50	2,156,454	563.54
HDFC High Interest Fund Short Term	398,687	133.06	398,687	120.08	398,687	111.17
Tata Income Fund - Appreciation	115,676	58.23	115,676	53.05	115,676	49.91
SBI SHDF STP - Growth	1,083,150	204.72	1,083,150	187.65	1,083,150	173.63
Tata Income Fund Appreciation -	221,449	34.10	221,449	31.06	221,449	29.22
SBI Magnum Income Fund - Growth	509,590	205.71	509,590	182.52	509,590	172.42
ICICI Dynamic Bond Fund Growth	1,048,499	202.24	1,048,499	180.77	1,048,499	166.25
Reliance Dynamic Bond Fund	619,798	142.54	619,798	127.08	619,798	119.59
BSL Short Term Opp Fund Growth (Lien)	249,432	69.34	249,432	62.86	249,432	57.79
Reliance STF Direct Growth Plan (Lien)	4,640,138	1466.32	4,640,138	1337.29	4,640,138	1232.03
HDFC FMP 371 D Series 29	-	-	4,000,000	487.60	4,000,000	449.60
Reliance Qtrly Interval Fund Growth	-	-	2,048,494	255.89		
SBI Premier Liquid Direct	-	-	20,259	482.35	2,298	50.52
SBI Corporate Bond Fund Reg Plan -Growth	383,229	100.44	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 2 Growth	3,000,000	301.37	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 5 Growth	5,000,000	500.00	-	-	-	-
Reliance Money Manager Fund (Lien)	31,056	707.00	26,513	556.70	26,513	511.86
Fair Value of Non Current Investment in Mutual Fund		**6057.01**		**5,484.28**		**4,435.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2017		31-March-2016		01-April-2015	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment at amortised cost						
Investment in Bond Non Trade (Quoted) :						
8.20% Power Finance Corporation Limited	28,479	284.79	28,479	284.79	28,479	284.79
6.88% Power Finance Corporation Limited	30,000	300.00	30,000	300.00	30,000	300.00
Investment at cost		**584.79**		**584.79**		**584.79**
Total Non-current Investments		**7,679.20**		**7,098.73**		**6,028.74**
Aggregate value of quoted investments and its market value thereof		**1,254.58**		**1,130.59**		**1,152.05**
Aggregate value of unquoted investments		**6,424.62**		**5,968.14**		**4,876.69**
Current Investments						
Investment in Mutual funds at fair Value through Profit or Loss Account						
Dividend Option						
Axis Liquid Fund	5,068	50.71		-	5,103	51.04
BSL Cash Plus - (Lien)	771,024	772.53	784,867	786.43	1,159,737	1161.98
BSL Dynamic Bond Fund	3,101,966	344.66	2,939,939	310.16	2,786,556	293.58
BSL Saving Fund	150,084	150.74		0.00	50,199	50.35
BSL Short Term Fund - (Lien)	2,265,031	266.82	2,133,344	250.67	2,009,172	237.69
BSL-Short Term Fund Monthly Dividend Regular Plan	6,242,121	734.65	5,879,211	691.07	-	-
HDFC Cash Management Fund	166,453	1770.46	33,089	351.95	-	-
HDFC Cash Managment saving Plan	-	-	114,879	1221.90	2,936,623	312.35
ICICI Prudential Liquid Plan	-	-	253,983	254.16	162,932	163.02
ICICI Short Term Fund - Dividend	3,168,639	388.83	2,989,280	363.00	-	-
Reliance Liquid Fund	-	-			-	-
Reliance Liquid Fund - Cash Plan	-	-	8,984	100.09	-	-
Reliance Liquid Fund - Treasury plan	3,400	51.97	9,918	151.62	-	-
Reliance Short Term Fund- Dividend	6,500,033	721.96	6,164,740	679.31	-	-
TATA Floater Fund	-	-	20,650	207.23	-	-
Tata Short Term Bond Fund Dividend	1,059,674	161.81	1,059,674	150.00	-	-
Reliance Medium Term Fund	9,037,536	1545.04	-	0.00	-	-
Fair Value of Current Investment in Mutual Fund		**6960.18**		**5517.59**		**2270.01**

Note :

1) The Company has on behalf of Elecon Engineering Co. Limited provided security to a bank by way of lien on Investments made in Mutual Funds.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2017 No of Units	31-March-2017 Amount	31-March-2016 No of Units	31-March-2016 Amount	01-April-2015 No of Units	01-April-2015 Amount
Total Current Investments						
Aggregate value of quoted investments and its market value thereof		-		-		-
Aggregate value of unquoted investments		6,960.18		5,517.59		2,270.01
Aggregate amount of impairment in value of investments		-		-		-
Total Investments		**14,639.38**		**12,616.32**		**8,298.15**

6(b) Other Financial Assets

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Unsecured, Considered Good			
Non-Current			
Security Deposits	291.39	257.05	267.53
	291.39	**257.05**	**267.53**
Current			
Receivable other than trade	10.70	11.60	10.70
	10.70	**11.60**	**10.70**
Total Other Financial Assets	**302.09**	**268.65**	**278.23**

6(c) Trade Receivables

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Unsecured, Considered Good	4,889.66	5,179.67	8,840.62
Total Trade and Other Receivables	**4,889.66**	**5,179.67**	**8,840.62**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other persons. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Write Off

During the Period, the Company has made provisions on write offs of ₹ 65.61 Lakh of trade receivables and it does not expect to receive future Cash Flow or recoveries from collection of cash flow previously written off.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

6(d) Cash and Cash Equivalents

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Cash and Cash Equivalents			
Balance with Bank			
Current accounts and debite balance in cash credit accounts	127.75	137.93	412.24
In Deposit Account (with original maturity upto 3 months)	100.00		
Cash on hand	0.05	0.10	0.10
Total Cash and Cash Equivalents	**227.80**	**138.03**	**412.34**

6(e) Other Bank Balance

Particulars as at	31-March-2017	31-March-2016	01-April 2015
Other bank balances			
Unpaid dividend accounts	14.99	13.91	13.00
Total	**14.99**	**13.91**	**13.00**

6(f) Specified Bank Notes Disclosures (SBN's)

During the year, the Company had specified bank notes or other denomination notea as defined in the MCA notification G.S.R. 308(E) dated 31-March-2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8-November-2016 to 30-December-2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08-Nov.-2016	4,500	5,291	9,791
(+) Non Permitted receipts	-	-	
(+) Permitted receipts		15,000	15,000
(-) Permitted payments		15,381	15,381
(-) Amounts Deposited in Banks	4,500		4,500
Closing cash on hand as on 31-Dec-2016	**0**	**4,910**	**4,910**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

6(g) Financial Assets By Category

(₹ in Lakh)

Particulars as at	31-March-2017			
	Cost	FVTPL	FVOCI	Amortised cost
31-March-2017				
Financial Assets by Category				
Investments				
- Equity Share in Associate at cost	367.58			
- Equity Share in Others at FVTPL		669.79		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		6,057.01		
- Investment in mutual fund -Current		6,960.18		
Trade receivables (Note 9)				4,889.66
Cash and cash equivalents (Note 9)				227.80
Other bank balance				14.99
Other financial assets				302.09
Total Financial Asets	**367.58**	**13,687.01**		**6,019.33**
31-March-2016				
Financial Assets by Category				
Investments				
- Equity Share in Associate at cost	483.83			
- Equity Share in Others at FVTPL		545.80		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		5,484.28		
- Investment in mutual fund - Current		5,517.59		
Trade receivables				5,179.67
Cash and cash equivalents				138.03
Other bank balance				13.91
Other financial assets				268.85
Total Financial Assets	**483.86**	**11,547.70**	**-**	**6,185.05**
01-April-2015				
Financial assets by category				
Investments				
- Equity Share in Associate at cost	441.65			
- Equity Share in Others at FVTPL		567.26		
- Equity Share in Others non trade - unquoted		0.03		
- Investment in bond at cost				584.79
- Investment in mutual fund - Non current		4,435.01		
- Investment in mutual fund - Current		2,270.01		
Trade Receivables				8,840.62
Cash and Cash Equivalents				412.34
Other bank balance				13.00
Other financial assets				278.23
Total Financial Assets	**441.65**	**7,272.31**	**-**	**10,128.98**

For Financial instruments risk management objectives and policies, refer Note 27

Fair value disclosures for financial assets and liabilities are in Note 25 and fair value hierarchy disclosures for investment are in Note 26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 7 : Other Non-Current / Current Assets

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Unsecured, Considered Good			
Non-Current			
Capital advances	-	-	216.50
	-	-	216.50
Current			
Advance to suppliers	421.55	155.25	243.82
Balance with Collector of Custom, Port Trust, Excise, etc.	175.88	335.86	327.05
Claims Receivable from Govt. Authorities	339.63	348.22	109.66
Other Advances	38.23	31.65	62.15
	975.29	870.98	742.68
Total	**975.29**	**870.98**	**959.18**

Note 8 : Inventories (At lower of cost and Net realisable value)

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Raw materials and components	1,656.95	1,239.64	1,378.18
Work-in-progress	633.32	867.46	393.04
Finished goods	230.30	678.45	204.94
Stock-in-trade	898.13	985.66	1,116.58
Total	**3,418.70**	**3,771.21**	**3,092.74**

Note 9 : Non-current Tax Assets (Net)

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Non-current			
Tax Paid in Advance	3,611.94	5,929.56	5,059.89
Less:			
Provision for Income Tax	3,444.00	5,590.82	4,712.02
Total	**167.94**	**338.74**	**347.87**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 10 : Share Capital

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Authorised Share Capital			
10,000,000 Equity shares of ₹10 each	1,000.00	1,000.00	1,000.00
	1,000.00	**1,000.00**	**1,000.00**
Issued, subscribed and fully paid up			
Issued 57,68,386 Equity shares of ₹10 each	576.84	576.84	576.84
Subscribed and Paid up 57,68,385 Equity shares of ₹10 each 576.84	576.84	576.84	576.84
Issued but not subscribed 1Equity share of ₹10	-	-	-
Total	**576.84**	**576.84**	**576.84**

10.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(₹ in Lakh)

Particulars as at	31-March-2017		31-March-2016		01-April-2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares						
At the beginning of the year	**57.68**	576.84	**57.68**	576.84	**57.68**	576.84
Issued/Reduction, if any during the year		-		-		-
Outstanding at the end of the year	**57.68**	576.84	**57.68**	576.84	**57.68**	576.84

10.2. Terms/Rights attached to the Equity Shares

(a) Rights preferences and Restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share.

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

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

10.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

(₹ in Lakh)

Name of the Shareholder	31-March-2017		31-March-2016		01-April-2015	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- each fully paid up)						
Elecon Engineering Company Limited	958,426	16.62	958,426	16.62	958,426	16.62
EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19	818,303	14.19
K B Investments Private Ltd.	487,015	8.44	487,015	8.44	487,015	8.44
Tamrock Great Britain Holdings Ltd.	1,447,875	25.10	1,447,875	25.10	1,447,875	25.10

Note 11 : Other Equity

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
Note 11.1 Reserves & Surplus		
Capital reserve		
Balance as per last balance sheet	2.91	2.91
Balance at the end of the year	**2.91**	**2.91**
Securities Premium Account		
Balance as per last balance sheet	753.83	753.83
Add: addition during the year	-	-
Add: utilized during the year	-	-
Balance at the end of the year	**753.83**	**753.83**
General reserve		
Balance as per last balance sheet	20,043.45	18,743.45
Add : Transfer from Profit & Loss account	1,500.00	1,300.00
	21,543.45	**20,043.45**
Surplus in statement of profit and loss		
Balance as per last Balance Sheet	4,729.57	4,591.01
Add: profit for the year	2,471.61	1,788.18
Add / (Less) Adjustment of Consolidation	(53.81)	-
Add / (Less): OCI for the year	(14.36)	(2.14)
	7,133.01	**6,377.04**
Less: Appropriations :		
Dividend on equity shares	288.42	288.42
Dividend distribution tax on dividend	58.72	59.05
Transfer to General Reserve	1,500.00	1,300.00
Balance carried forward	**5,285.87**	**4,729.57**
Total	**27,586.06**	**25,529.76**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 11.2 Dividend distribution made and proposed

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
Cash dividends on Equity shares declared and paid		
Final dividend for year ended 31-March-2016: ₹ 5 per share (31-March-2015: ₹ 5 per share)	288.42	288.42
Dividend distribution tax on final dividend	58.72	59.05
Total	**347.14**	**347.47**
Proposed dividends on Equity shares		
Final dividend for the year ended 31-March-2017: ₹ 5 per share (31-March-2016: ₹ 5 per share)	288.42	288.42
Dividend distribution tax on final proposed dividend	58.72	58.72
Total	**347.14**	**347.14**

Proposed dividend on equity shares is subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

Note 12 (a) : Trade Payables

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Current			
Trade payables	1,384.49	2,288.17	2,655.66
Total	**1,384.49**	**2,288.17**	**2,655.66**

There is no principal amount and interest overdue to Micro and Small Enterprises as at the year end. 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.

Note 12 (b) : Other Financial Liabilities

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Current			
Security Deposits	36.23	1.69	31.41
Unpaid dividend	14.99	13.91	13.00
Payable in respect of capital goods	245.71	19.86	6.76
Total	**296.93**	**35.46**	**51.17**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 12 (c) : Financial Liabilities By Category

(₹ in Lakh)

Particulars	FVTPL	Amortised cost
31-March-2017		
Borrowings	-	-
Trade payable	-	1,384.49
Other financial liabilities	-	296.93
Total Financial liabilities	**-**	**1,681.42**
31-March-2016		
Trade payable	-	2,288.17
Other financial liabilities	-	35.46
Total Financial liabilities	**-**	**2,323.63**
01-April-2015		
Trade payable	-	2,655.66
Other financial liabilities	-	51.17
Total Financial liabilities	**-**	**2,706.83**

For Financial instruments risk management objectives and policies, refer Note 27.

Fair value disclosures for financial assets and liabilities are in Note 25 and fair value hierarchy disclosures for investment are in Note 26.

Note 13 : Provisions

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Long-term			
Provision for employee benefits (refer Note 24)			
Provision for Compensated Absences	86.73	55.68	59.04
	86.73	**55.68**	**59.04**
Short-term			
Provision for employee benefits (refer Note 24)			
Provision for Compensated Absences	30.15	24.00	17.79
Provision for warranty	169.94	143.67	200.43
	200.09	**167.67**	**218.22**
Total	**286.82**	**223.35**	**277.26**

A provision of ₹ 169.94 Lakh (F. Y. 2015-16 ₹143.67 Lakh & F. Y. 2014-15 ₹200.43 Lakh) has been recognized for expected warranty claims at 1% on products sold during the current financial year. The warranty claims are for period of 12 months and hence it is expected that the expenditure towards warranty will be incurred in the next financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
As on 01st April	143.67	200.43
Addition during the year	169.94	143.67
Utilization during the year	74.46	87.53
Additional / Excess during the year	69.21	112.9
As on 31st March	**169.94**	**143.67**

Note 14 : Other Current / Non-Current Liabilities (₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016	01-April-2015
Current			
Advance from Customers	36.00	24.98	19.38
Statutory & Other Liabilities	266.74	308.22	547.76
Total	**302.74**	**333.20**	**567.14**

Note 15 : Revenue from Operations (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Sale of Products		
Domestic Sales	18,422.76	14,745.74
Export Sales	58.05	128.25
	18,480.81	**14,873.99**
Sale of Services		
Sale of Services	4.68	0.89
	4.68	**0.89**
Other operating revenue		
Sale of Scrap	42.02	54.22
Windmill Electricity Income	13.01	24.16
	55.03	**78.38**
Total	**18,540.52**	**14,953.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 16 : Other Income

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Other Income		
Interest Income	76.19	51.08
Dividend Income	323.57	238.52
Profit/Loss on Sales of Assets (Net of Losses)	-	1.01
Gain on Account of Exchange Variation(Net)	-	2.82
Rent Income	50.12	36.17
Gain on sale of investments	200.64	-
Gain on Fair valuation /Sale of Investment at FVTPL	609.07	366.76
Duty Draw Back Claim	1.10	4.53
Miscellaneous Income	87.78	52.50
Total	**1,348.47**	**753.39**

Note 17 : Cost of raw materials and components consumed

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Inventory at the beginning of the year	1,239.64	1,378.18
Add : Purchases	5,909.60	4,558.59
	7,149.24	5,936.77
Less : Inventory at the end of the year	1,656.95	1,239.64
Cost of Raw material	5,492.29	4,697.13
Total	**5,492.29**	**4,697.13**

Note 18 : Purchases of stock-in-trade

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Purchase of traded goods	2,740.94	2,639.46
Total	**2,740.94**	**2,639.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 19 : Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Inventory at the begining of the year		
Stock-in-trade	985.66	1,116.58
Work-in-progress	867.46	393.04
Finished Goods	678.45	204.94
Total	**2,531.57**	**1,714.56**
Inventory at the end of the year		
Stock-in-trade	898.13	985.66
Work-in-progress	633.32	867.46
Finished Goods	230.30	678.45
	1,761.75	**2,531.57**
Total	**769.82**	**(817.01)**

Note 20 : Manufacturing Expense and Erection Charges (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Stores, Tools and Spares Consumed	229.18	160.29
Power and Fuel	7.97	2.08
Total	**237.15**	**162.37**

Note 21 : Employee benefits expense (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Salaries, Wages and Bonus	1,357.38	1,311.90
Contribution to Provident Fund	60.56	58.30
Employees' Welfare Expenses	40.81	56.14
Employees' Retirement Benefits	34.74	18.67
Total	**1,493.49**	**1,445.01**

Note 22 : Finance costs (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Interest Expense	0.09	0.09
Other Borrowing Cost	38.17	29.25
Total	**38.26**	**29.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 23 : Other expenses

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Rent	95.68	94.16
Computer Software Charges	45.44	81.36
Rates & Taxes	100.60	58.91
Excise Duty (excluding Duty recovered from Customers)	(53.87)	48.89
Repairs and Maintenance :		
- Building	183.77	113.64
- Machinery	235.64	209.67
- Others	122.28	144.68
Insurance (Net of recoveries)	23.00	31.89
Travelling Expense	178.61	147.89
Directors' Fees	9.55	9.51
Commission to Non-Executive Directos	10.00	15.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	189.14	137.77
Compensation to Distributors	1,935.23	1,660.61
Warranty Claim Replacement	169.94	143.67
Provision for Bad Debts Written Off	65.61	-
Advertisements & Sales Promotion Expenses	8.20	10.82
Payment to Auditors (Refer note below)	4.67	5.62
Donations	100.06	41.55
Expendinture on Corporate Social Responsibility (Refer note no. 34)	54.00	52.34
Lease Rentals	46.12	4.20
Royalty paid	-	-
Technical Inspection Consultancy Fees	-	-
Other Professional Consultancy Fees	200.18	178.85
General Administrative Charges	461.06	415.84
Profit/Loss on Sales of Assets (Net of Losses)	10.05	-
Loss on Account of Exchange Variation (net)	4.04	-
Total	**4,198.99**	**3,606.87**

Payment to Auditors (Net of service tax)

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
A. Statutory Auditors		
As Auditors		
Audit fees	1.51	1.50
Taxation matters	-	0.99
Limited review fees	0.75	0.75
Certification fees	0.95	0.90
Reimbursement of expenses	1.46	1.48
Total	**4.67**	**5.62**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Research and Development Expenses (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Cost of material Consumed	159.09	67.28
Salaries, Wages and Bonus	182.11	183.44
Contribution to providend and other funds	11.63	11.25
Travelling, conveyance and other expenses	24.80	47.55
Total	**377.63**	**309.52**

Note 24 : Income tax

The major component of income tax expense for the years ended 31-March-2017 and 31-March-2016 are :

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Statement of Profit and Loss		
Current Tax		
Current Income Tax	671.29	620.00
Adjustment in respect of current tax of previous years	8.62	-
	679.91	620.00
Deferred Tax		
Relating to origination and reversal or temporary difference	(209.82)	(2.76)
Income tax expense reported in the statement of profit and loss	470.09	617.24

OCI Section (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(7.60)	(1.14)
Deferred tax charged to OCI	(7.60)	(1.14)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March-2017 and 31-March-2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

A) Current Tax

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2017	31-March-2016
Accounting profit before tax from continuing operations	2,979.19	2,363.23
Tax @ 34.608% (31-March-2016: 34.608%)	1,031.04	817.87
Adjustment		
In respect of additional allowance for R & D expense	(130.69)	(107.76)
In respect of Exempted income	(186.95)	(105.20)
In respect of Expenses disallowed	10.81	15.00
In respect of standard deduction on rent income	(4.46)	(2.68)
In respect tax rate difference on profit on sale of investment	(249.66)	-
At the effective income tax rate of 15.78% (31-March-2016 : 26.11%)	**470.09**	**617.23**

B) Deferred tax

(₹ in Lakh)

Particulars (For the Year Ended)	Balance Sheet			Statement of Profit and Loss	
	31-March-2017	31-March-2016	01-April-2015	31-March-2017	31-March-2016
Depreciation difference	880.48	949.30	1,076.16	(68.82)	(126.85)
Disallowances u/s 43 B of Income Tax Act	(135.52)	(110.59)	(104.27)	(17.30)	(5.18)
Provision for Doubtful debts & advances	(22.71)	-	-	(22.71)	-
On Unrealised gain on fairvaluation of investment	224.39	256.80	127.52	(66.70)	129.27
Unutilised Tax Credit (MAT)	(34.29)	-	-	(34.29)	-
Deferred tax expense/(income)				**(209.82)**	**(2.76)**
Net deferred tax assets/(liabilities)	**912.35**	**1,095.51**	**1,099.41**		
Reflected in the balance sheet as follows					
Deferred tax assets	(192.52)	(110.59)	(104.27)		
Deferred tax liabilities	1,104.87	1,206.10	1,203.67		
Deferred tax liabilities (net)	**912.35**	**1,095.51**	**1,099.41**		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31-March-2017 and 31-March -2016, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 25 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakh)

Particulars as at	Carrying Amount			Fair Value		
	31-March-2017	31-March-2016	01-April-2015	31-March-2017	31-March-2016	01-April-2015
Financial assets						
Investments measured at fair value through profit or loss	13,686.98	11,547.67	7,272.28	13,698.98	11,547.67	7,272.28
Investments measured at amortised cost	584.79	584.79	584.79	624.97	607.34	609.90
Total	**14,271.77**	**12,132.46**	**7,857.07**	**14,311.95**	**12,155.01**	**7,882.18**

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Note 26 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at 31-March-2017, 31-March-2016 and 01-April-2015

Particulars as at	Fair value measurement using				
	Date of valuation	Total	"Quoted prices in active markets (Level 1)"	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
As at 31-March-2017					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**31-March-2017**	669.82	669.82	-	-
Investment in Mutual fund -unquoted	**31-March-2017**	13,017.19		13,017.19	
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March-2017**	584.79	584.79		
Investment property	**31-March-2017**	917.57	-	-	917.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Particulars as at	Fair value measurement using				
	Date of valuation	Total	"Quoted prices in active markets (Level 1)"	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
As at 31-March- 2016					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity Shares, quoted	**31-March-2016**	545.80	545.80		-
Investment in Mutual Fund-unquoted	**31-March-2016**	11,001.87	-	11,001.87	-
Assets for which fair values are disclosed					
Investment in Bonds, Quoted	**31-March-2016**	584.79	584.79	-	-
Investment Property	**31-March-2016**	816.00	-	-	816.00
As at 01-April-2015					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity Shares, Quoted	**01-April-2015**	567.26	567.26		-
Investment in Mutual Fund-unquoted	**01-April-2015**	6,705.02		6,705.02	
Assets for which fair values are disclosed					
Investment in Bonds, Quoted		584.79	584.79	-	-
Investment property	**01-April-2015**	716.40	-	-	716.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 27 : Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2017, 31-March-2016 and 01-April-2015, including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate. Hence the Company does not have any interest rate risk at the present.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD/EUR. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currentcy risk is assessed by the company is low.

Equity price risk

The Group's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow:

Trade receivables as at	Neither past due nor impaired (including unbilled)	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2017	3,419.85	947.96	212.63	178.18	131.04	4,889.66
31-March-2016	3,962.34	801.43	116.27	93.85	205.78	5,179.67
01-April-2015	6,597.19	1,621.72	416.36	138.02	67.33	8,840.62

The requirement of impairment is analysed as each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as of 31-March-2017, 31-March-2016 & 01-April-2015 is the carrying amount as disclosed in Note 25.

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended 31-March-2017						
Trade payables	-	**48.49**	**1,336.00**	-	-	-
Other financial liabilities						
Payable for capital goods	51.22		**245.71**	-	-	-
	51.22	**48.49**	**1,581.71**			
Year ended 31-March-2016						
Trade payables	-	341.24	1,946.93	-	-	-
Other financial liabilities	15.60					
Payable for capital goods			19.86			
	15.60	**341.24**	**1,966.79**			
Year ended 01-April-2015						
Trade payables	-	6.04	2,649.62	-	-	-
Other financial liabilities	44.41		6.76			
	44.41	**6.04**	**2,656.38**			

Note 28 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakh)

Particulars (as at)	31-March-2017	31-March-2016	01-April-2015
Trade and other payables (Note 12 & 14)	1,948.16	2,631.85	3,254.59
Less: cash and cash equivalent (including other bank balance) (Note6)	(242.79)	(151.94)	(425.34)
Net Debt	**1,705 .37**	**2,479.91**	**2,829.25**
Equity share capital (Note 10)	576.84	576.84	576.84
Other equity (Note 11)	27,586.06	25,529.76	24,091.20
Total Capital	**28,162.90**	**26,106.60**	**24,668.04**
Capital and Net Debt	**29,868.27**	**28,586.51**	**27,497.29**
Gearing Ratio	**6%**	**9%**	**10%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2017, 31-March-2016 and 01-April-2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 29 : Contingent Liabilities (₹ in Lakh)

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Contingent liabilities not provided for			
a. Guarantee given by the Company on behalf of Elecon Engineering Co. Ltd.	2,426.39	2,942.40	2,773.77
b. Guarantees issued by Banks	1,761.38	2,032.10	2,252.59
c. Income tax demands disputed by the Company	20.62	105.13	112.78
d. Sales tax demands disputed by the Company	75.30	121.92	53.73
e. Excise & Service tax demands disputed by the Company	1,007.56	1,009.09	1,006.89

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

Note 30 : Capital commitment and other commitments (₹ in Lakh)

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Capital commitments			
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	403.62	306.30	121.45
Other commitments	-	-	-

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 74.12 lakh. (31-March-2016: ₹ 69.44 lakh) is recognised as expenses and included in Note No. 21 “Employee benefit expense”

(₹ in Lakh)

Particulars as at	31-March-2017	31-March-2016
Provident Fund	60.56	58.30
Superannuation Fund	13.56	11.14
	74.12	**69.44**

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

31-March-2017 : Changes in defined benefit obligation and plan assets

(₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	1-April-2016	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 30)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contri-butions by employer**	**31-March-2017**
Gratuity													
Defined benefit obligation	342.09	15.60	26.89	42.49	(28.15)			10.86	7.76	18.62	1.05		376.10
Fair value of plan assets	356.58		28.03	28.03	(28.15)	(3.34)				(3.34)	(6.43)	25.59	372.28
Benefit liability	(14.49)	15.60	(1.14)	14.46	-	3.34	-	10.86	7.76	21.96	7.48	(25.59)	3.82
Total benefit liability	**(14.49)**	**15.60**	**(1.14)**	**14.46**	**-**	**3.34**	**-**	**10.86**	**7.76**	**21.96**	**7.48**	**(25.59)**	**3.82**

31-March-2016 : Changes in defined benefit obligation and plan assets

(₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	1-April-2015	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 30)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contri-butions by employer**	**31-March-2016**
Gratuity													
Defined benefit obligation	325.14	16.09	25.75	41.84	(28.77)	-		1.02	2.86	3.88		-	342.09
Fair value of plan assets	349.73		27.70	27.70	(28.77)	0.59		-	-	0.59	5.64	1.69	356.58
Benefit liability / (assets)	(24.59)	16.09	(1.95)	14.14	0.00	(0.59)	0.00	1.02	2.86	3.29	(5.64)	(1.69)	(14.49)
Total benefit liability/(assets)	**-24.59**	**16.09**	**-1.95**	**14.14**	**-**	**-0.59**	**-**	**1.02**	**2.86**	**3.29**	**-5.64**	**-1.69**	**-14.49**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**Year ended 31-March-2017 (%) of total plan assets**	**Year ended 31-March-2016 (%) of total plan assets**	**Year ended 01-April-2015 (%) of total plan assets**
Insured fund	100%	100%	100%
(%) of total plan assets	**100%**	**100%**	**100%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Discount rate	7.27%	7.86%	7.92%
Future salary increase	7.00%	7.00%	7.00%
Expected rate of return on plan assets	7.27%	7.86%	7.92%
Attrition rate	2.00%	2.00%	2.00%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity (₹ in Lakh)

		(increase) / decrease in defined benefit obligation (Impact)		
Particulars (As at)	**Sensitivity Level**	**31-March-2017**	**31-March-2016**	**01-April-2015**
Gratuity				
Discount rate	1% increase	(17.94)	(16.08)	(15.32)
	1% decrease	20.43	18.18	17.29
Salary increase	1% increase	20.29	18.16	17.27
	1% decrease	(18.15)	(16.34)	(15.58)
Attrition rate	1% increase	0.15	0.75	0.79
	1% decrease	(-0.19)	(0.87)	(0.91)

The followings are the expected future benefit payments for the defined benefit plan : (₹ in Lakh)

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Gratuity			
Within the next 12 months (next annual reporting period)	105.08	94.30	77.56
Between 2 and 5 years	113.15	120.35	146.96
Beyond 5 years	186.70	226.81	180.43
Total Expected Payments	**404.93**	**441.46**	**404.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Gratuity	13	13	13

The followings are the expected contributions to planned assets for the next year: (₹ in Lakh)

Particulars (As at)	31-March-2017	31-March-2016	01-April-2015
Gratuity	21.07	1.11	-

C. Other Long Term Employee Benefit Plans

Leave encashment / Compensated absences

Salaries, Wages and Bonus include ₹ 37.19 Lakh (Previous Year ₹ 9.14 Lakh) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Note 32 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

a. Name of Related Parties and Nature of Relationship :

a.	Associate	Eimco Elecon Electricals Ltd.
b.	Individual / Enterprise having control/ significant influence	Shri P. B. Patel Elecon Engineering Company Ltd.
c.	Key Management Personnel	Shri P. B. Patel Shri M. G. Rao Shri N. D. Shelat Smt. B. L. Isarani
d.	Enterprises over which (b) or (c) above have significant influence	EMTICI Engineering Ltd. Prayas Engineering Ltd. Power Build Pvt. Ltd. Elecon Information Technology Ltd. Madhubhan Prayas Resorts Ltd. Akaaish Mechatronics Ltd. Speciality Woodpack Pvt. Ltd. Elecon Peripherals Ltd. Bipra Investments & Trusts Pvt. Ltd. Devkishan Investments Pvt. Ltd. K. B. Investments Pvt. Ltd. Aishpra Properties Pvt. Ltd. Akaaipra Infracon Pvt. Ltd BIP Buildcon Pvt. Ltd.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Madhuban Heights Pvt. Ltd.
Jamko Consultants Pvt. Ltd.
Kirloskar Power Build Gears Ltd.
MTC Buildcon Pvt. Ltd.
Akaaish Investments Pvt. Ltd.
Wizard Fincap Ltd.
Tech Elecon Pvt. Ltd.
Elecon Hydraulics Pvt. Ltd.
Vijay M. Mistry Construction Pvt. Ltd.
Elecon Australia Pty. Ltd.
Elecon Africa Pty. Ltd.
Elecon Singapore Pte. Ltd.
Elecon Middle East FZCO
Elecon Engineering (Suzhou) Co Ltd.
Elecon Transmission International Ltd.
Power Build Transmission International Ltd.
Elecon UK Transmission Ltd.
Elecon USA Transmission Ltd.
David Brown System Sweden AB, Sweden
AB Benzlers, Sweden
Benzler Technisch Buro Aandrijftechniek B.V (The Netherlands)
Banzler Transmission A.S (Denmark)
Benzler Andtriebstech nik GmbH, Germany
OY Benzler AB (Finland)
Radicon Transmission (Thailand) Ltd.
Radicon Transmission System (Thailand) Ltd.
Radicon Transmission (Australia) Pty. Ltd.

e Collaborators — Sandvik AB Sweden
Tamrock Great Britain Holdings Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

b. Disclosure in respect of Related Party Transactions :

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Purchase of Material		
Elecon Engineering Company Ltd.	601.37	526.80
Power Build Pvt. Ltd.	1.70	0.70
Speciality Woodpack Pvt. Ltd.	16.50	20.27
Eimco Elecon Electricals Ltd.	95.39	61.70
Elecon Peripherals Ltd.	6.69	3.46
Elecon Hydraulics Pvt. Ltd.	48.74	-
Job work Income		
Elecon Engineering Company Ltd.	2.35	0.89
Job work Expenses		
Elecon Engineering Company Ltd.	2.03	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Sale of Finished Goods, Consumables & Scrap		
Elecon Engineering Company Ltd.	25.69	30.22
Speciality Woodpack Pvt. Ltd.	1.95	1.40
Eimco Elecon Electricals Ltd.	0.24	0.02
Sandvik Asia Pvt. Ltd. (Pune)	-	0.33
Elecon Hydraulics Pvt. Ltd.	13.31	-
Vijay M. Mistry Construction Pvt. Ltd.	0.41	-
Purchase of Fixed Assets		
Elecon Information Technology Ltd.	-	15.05
Tech Elecon Pvt. Ltd.	248.75	-
Sale of Fixed Assets		
Elecon Engineering Company Ltd.	1.09	-
Eimco Elecon Electricals Ltd.	-	0.41
Sale of Investment		
Elecon Peripherals Ltd.	80.20	-
EMTICI Engineering Ltd.	131.55	-
Expenses Charged to		
Elecon Engineering Company Ltd.	5.02	64.50
Expenses Charged by		
Elecon Engineering Company Ltd.	55.02	54.26
Speciality Woodpack Pvt. Ltd.	13.62	12.39
Elecon Information Technology Ltd.	11.46	112.74
Akaaish Mechatronics Ltd.	130.88	129.79
EMTICI Engineering Ltd.	58.13	53.43
Wizard Fincap Ltd.	17.33	15.64
Madhubhan Resort & Spa	6.23	3.39
Tech Elecon Pvt. Ltd.	80.52	-
Devkishan Investments Pvt. Ltd.	41.92	-
Sales Commission		
EMTICI Engineering Ltd.	1,635.09	1,325.88
Reimbursement of Expense paid / payable		
Elecon Engineering Company Ltd.	17.36	8.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Reimbursement of Expense Received / Receivables		
Elecon Engineering Company Ltd.	-	1.93
Remuneration to Key Management Persons		
Shri P. B. Patel	3.17	-
Shri M. G. Rao	90.99	72.40
Shri N. D. Shelat	28.45	26.81
Smt. B. L. Isarani	7.60	-
Dividend Paid		
Tamrock Great Britain Holdings Ltd.	72.39	72.39
Elecon Engineering Company Ltd.	47.92	47.92
EMTICI Engineering Ltd.	40.92	40.92
K. B. Investments Pvt. Ltd.	24.35	24.35
Bipra Investments and Trusts Pvt. Ltd.	9.41	9.41
Elecon Information Technology Ltd.	7.38	7.38
Devkishan Investments Pvt. Ltd.	6.05	6.05
Prayas Engineering Ltd.	1.87	1.87
Akaaish Mechatronics Ltd.	1.30	1.30
Power Build Pvt. Ltd.	0.80	0.80
Guarantees and Collaterals given		
Elecon Engineering Company Ltd.	2,426.39	2,942.40

c. Balance as at year end :

(₹ in Lakh)

Nature of Transactions	Year Ended		
	31-March-2017	31-March-2016	01-April-2015
Outstanding Payables :			
(a) Associate			
Eimco Elecon Electricals Ltd.	14.67	(2.49)	24.91
(b) Individual/Enterprise having control/ significant influence			
Elecon Engineering Company Ltd.	22.67	105.03	61.35
(c) Key Management Personnel			
Shri M. G. Rao	5.00	5.00	5.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

(d) Enterprises over which (b) or (c) above have significant influence			
Elecon Peripherals Ltd.	2.95	-	-
EMTICI Engineering Ltd.	282.22	159.36	514.09
Madhubhan Prayas Resorts Ltd.	-	0.08	-
Elecon Information Technology Ltd.	2.58	22.48	0.09
Akaaish Mechatronics Ltd.	0.42	-	7.58
Speciality Woodpack Pvt. Ltd.	5.45	6.84	6.45
Power Build Pvt. Ltd.	-	-	0.38
Elecon Hydraulics Pvt. Ltd.	33.33	-	-
Tech Elecon Pvt. Ltd.	236.55	-	-
Wizard Fincap Ltd.	0.77	1.17	0.78
Outstanding Receivables :			
(a) Associate			
Eimco Elecon Electricals Ltd.	-	0.71	0.29
(b) Individual/Enterprise having control significant influence			
Elecon Engineering Company Ltd.	23.09	54.73	80.52
(c) Enterprises over which (b) or (c) above have significant influence			
Speciality Woodpack Pvt. Ltd.	-	0.27	0.55
Elecon Information Technology Ltd.			0.88
Akaaish Mechatronics Ltd.			0.22
EMTICI Engineering Ltd.	0.10	-	0.47
Power Build Pvt. Ltd.			3.77
Elecon Hydraulics Pvt. Ltd.	13.31	-	-
Vijay M. Mistry Construction Pvt. Ltd.	(0.07)	-	-
(d) Collaborators:			
Sandvik Asia Pvt Ltd.	(3.20)	13.00	15.35
Investment:			
(a) Associates			
Wizard Fincap Ltd.	-	24.95	24.95
Eimco Elecon Electricals Ltd.	51.00	51.00	51.00

d. Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

e. Commitments with related parties

The Company has not provided any commitment to the related party as at 31-March-2017, (31-March-2016: ₹ Nil and 01-April-2015: ₹ Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

f. **Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakhs)

Particulars	2016-17	2015-16
Short-term employee benefits	116.83	96.86
Post employment benefits	7.73	2.35
Other long-term employment benefits	-	-
Total compensation paid to key management personnel	**124.56**	**99.21**

Note 33 : Earning per share

(₹ in Lakhs except EPS)

Particulars	2016-17	2015-16
Earing per Share (Basic and Diluted)		
Profit attributable to ordinary equity holders	2,471.61	1,788.17
Total No. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
Weighted average number of equity shares		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	42.85	31.00
Diluted earning per share	42.85	31.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 34 : Corporate Social Responsibility (CSR) Activities:

a. 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 throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013

b. Amount spent during the year on:

		Year Ended					
		31-March-2017			31-March-2016		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	54.00	-	54.00	52.34	-	52.34
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

Note 35 : First- time adoption of Ind AS

These financial statements, for the year ended 31-March-2017 are the first annual Ind AS financial statements, the Group has prepared in accordance with the Ind AS. For periods up to and including the year ended 31-March-2016, the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ended on 31-March-2017, together with the comparative period data as at and for the year ended 31-March-2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening Balance Sheet was prepared as at 01-April-2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 01-April-2015 and the previously published Indian GAAP financial statements as at and for the year ended 31-March-2016.

Exemptions Applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Ind AS optional exemptions

1. Deemed Cost

Ind AS 101 permits a a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Accordingly, the Group has elected to measure certain classes of its property, plant and equipment at fair value on the date of transition to Ind AS and used those fair value as deemed cost of property, plant and equipment.

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Investment property and Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its Investment properties and Intangible assets, as recognised in its Indian GAAP financials, as deemed cost at the transition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2. Investment in Associates

The Group has elected the option provided under Ind AS 101 to measure all its investments in Associates at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Group made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

1. Investment measured at FVTPL

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 01-April-2015, the date of transition to Ind AS and as of 31-March-2016

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the year ended 31-March-2016 and equity as at 01-April 2015 (Opening Balance Sheet). The following tables represent the reconciliations from previous GAAP to Ind AS:

Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity as at 31-March-2016 & 01-April-2015

(₹ in Lakh)

As at	Notes	31-March-2016
Equity under previous GAAP		**22,212.69**
Impact of fair valuation of Property, plant and equipment	i	3,513.42
Impact of fair valuation of Financial Instruments	ii	1,224.93
Proposed dividend reversed including tax on dividend	iii	347.14
Tax impact on Ind AS adjustments	v	(1,191.58)
Equity as per Ind AS		**26,106.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

2. Reconciliation of total comprehensive income reconciliation for the year ended 31-March-2016

(₹ in Lakh)

As at	Notes	2015-16
Profit after tax as per previous GAAP		**1,706.07**
Impact of fair valuation of Property, plant and equipments	i	(260.67)
Other Adjustments	ii	375.74
Tax impacts on Ind AS adjustments	v	(32.97)
Profit after tax as per Ind AS		**1,788.17**
Other comprehensive income (net of tax)		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	iv	(2.14)
Total Comprehensive Income under Ind AS, net of tax		**1,786.03**

Notes to the reconciliation of equity as at 01-April-2015 and 31-March-2016 and total comprehensive income for the year ended 31-March-2016.

i. Fair Valuation of Property, plant and equipment

The Company has elected to measure certain items of Property, Plant and Equipment (PPE) at fair value at the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The resulting change has been adjusted in retained earnings. Change in depreciation & amortisation of the subsequent period due to fair valuation of items of PPE have been recognised in statement of profit & loss. The following table summarizes the aggregate fair value and adjustment to the carrying amount reported under previous GAAP for items of PPE for which fair value measurement is adopted:

Asset	Previous Carrying value	Previous Carrying value	Impact on date of transition
Property, Plant and Equipment			
Freehold Land	19.26	2,294.30	2,275.04
Leasehold Land	905.26	854.80	-50.46
Building	566.72	746.30	179.58
Plant & equipment	1,897.66	3,273.37	1,375.71

ii. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any and current investment were measured at cost and fair value whichever is lower. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

iii. Proposed Dividend and tax thereon

Under Previous GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a dividend distribution is recognised as a liability in the period in which it is declared by the company (on approval of Shareholders in a general meeting) or paid. Therefore, the liability recorded under previous GAAP has been derecognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

iv. **Re-measurement gain / loss on defined benefit plan**

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended on 31-March-2016 increased by ₹ 2.14 Lakhs (net of Tax). There is no impact on the total equity as at 31-March-2016.

v. **Tax impacts on Ind AS adjustments**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

vi. **Retained Earnings**

Retained earnings as at 01-April-2015 has been adjusted consequent to the above Ind AS transition adjustments.

vii. **Classification & Presentation**

a. **Investment Property**

Under the previous GAAP, Building given on lease has been shown as Investment property and disclosed under the head Investments. Under Ind AS, Building given on lease are disclosed separately as Investment property on the face of the Balance sheet.

b. **Excise Duty**

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by ₹ 950.63 lakhs with a corresponding increase in other expense.

xii. **Statement of cash flows**

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

Note 36 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

In March 2017, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based Payment', respectively. The amendments are applicable to the Group from 01-April-2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 required the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group has evaluated the disclosure requirements of the amendment and the effect on the financial statements is not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the measurement of cash settled awards, modification of cash settled awards and awards that includes a net settlement features in respect of withholding taxes. As the Group does not have such nature of transaction, this amendment does not have any effect on the financial statements of the Group.

(Pursuant to first provio 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 currecy and Exchange rate as on the last date of the relevant Finaicial year in the case of foreign subsidiaries	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed dividend	% of share-holding
	No subsidiary													

Part "B" : Associates and Joint Ventures ₹ In lakh

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Assoicate Companies and Joint Ventrues

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 Joint Ventures	Extend of holding %				i. Considered in Consolidation	i. Not considered in Consolidation
1	Eimco Elecon Electricals Ltd. (Associate)	31-03-2017	510000	51.00	47.62	N.A.	In view of MCA Notification dtd. 14-10-2014, exemption granted from consolidation.	367.60	(37.49)	-

Note : There is significant influence due to percentage (%) of Share Capital

For and on behalf of the Board of Directors,

Shri M. G. Rao
Whole-time Director

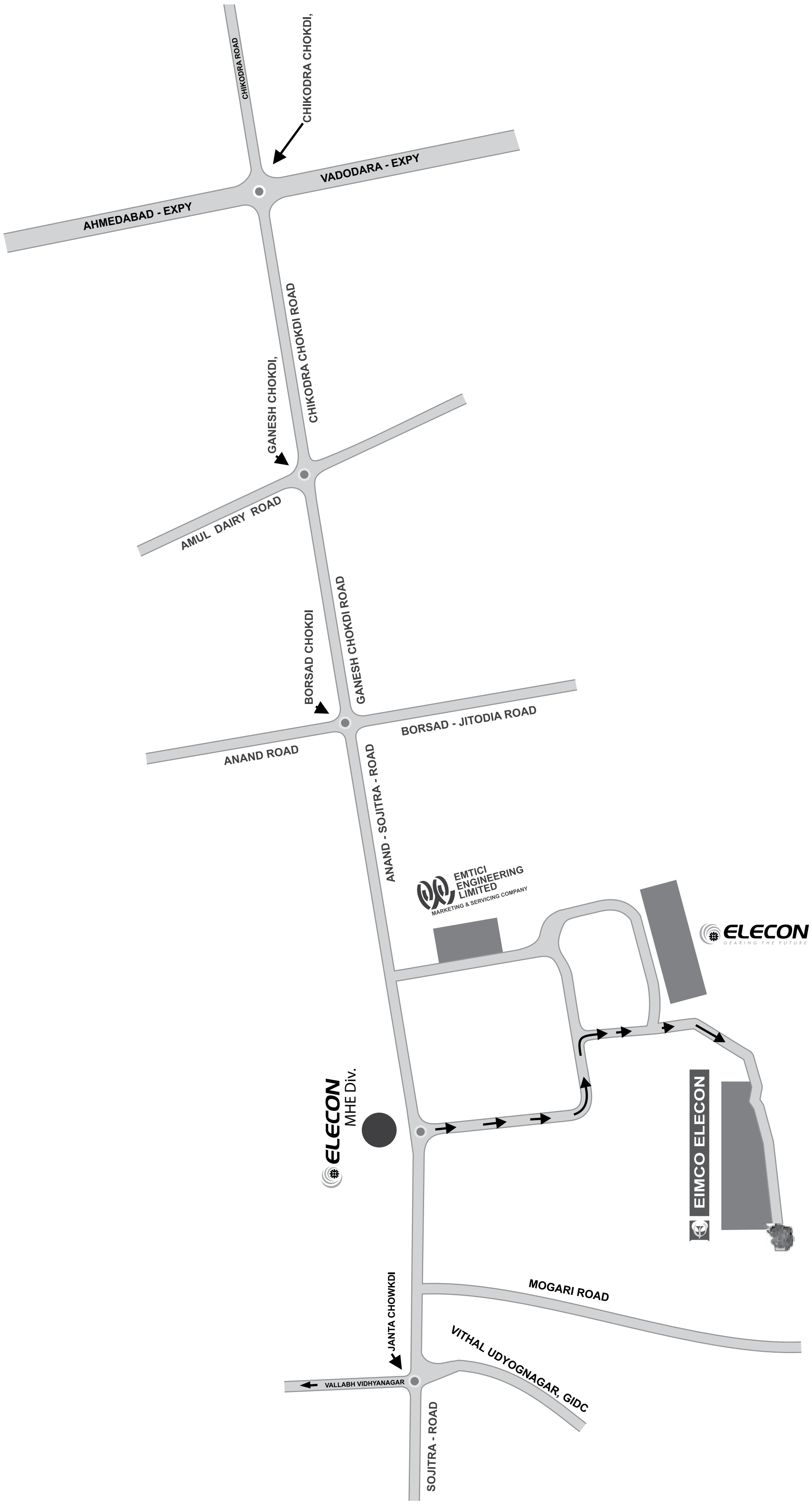
Shri P. C. Amin
Director

Shri N. D. Shelat
Chief Financial Officer

Smt. B. L. Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 18th May, 2017

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
43rd ANNUAL GENERAL MEETING
on Wednesday
2nd August, 2017
at 02.30 p.m.
at the Regd. Office
at Vallabh Vidyanagar-388 120.
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
43rd 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.

1. Name :
   Address :
   Email ID : Signature :.. or failing him

2. Name :
   Address :
   Email ID : Signature :.. or failing him

3. Name :
   Address :
   Email ID : Signature :.. or failing him

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Wednesday, the 2nd August, 2017 at 02.30 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 :

1. Adoption of Audited Financial Statements (Both Standalone and Consolidated) of the Company for the Financial Year ended 31-03-2017 together with the Report of the Board of Directors and Auditors thereon.
2. Declaration of Dividend for the Financial Year ended 31-03-2017.
3. Appointment of a Director in place of Shri P. M. Patel, who retirs by rotation and being eligible, offers himself for re-appointment.
4. Appointment of M/s. THACKER BUTALA DESAI, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
5. Appointment of Shri P. B. Patel as an Executive Director of the Company.
6. Appointment of Ms. Reena P. Bhagwati as an Independent Director of the Company.
7. To ratify remuneration to M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for F.Y. 2017-18.

Signed this ______________ day of __________ 2017

Signature of shareholder(s) : _____________________________________

Signature of Proxy holder(s) : _____________________________________

Affix
Revenue
Stamp

Notes : 1. This form of proxy in order to be effective should be duly completed and deposited a 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 43rd Annual General Meeting.

BOOK - POST

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VALLABH VIDYANAGAR - 388 120.
GUJARAT.

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