



Eim/Sec/SE  
31<sup>st</sup> July, 2018

Manager (Listing) <b>Bombay Stock Exchange Ltd.</b> Mumbai  <b><u>Company Code 523708</u></b>	Manager (Listing) <b>National Stock Exchange of India Ltd.</b> Mumbai  <b><u>Symbol EIMCOELECO - Series EQ</u></b>
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**Sub.: Submission of Annual Report – 44<sup>th</sup> AGM- 2017-18**

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 2017-18 of the Company.

Please note that these annual accounts and other reports have been adopted by the Shareholders at their 44<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2018.

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

Thanking you,

Yours faithfully,

**For Eimco Elecon (India) Ltd.,**

Devanand Mojindra

Company Secretary & Compliance Officer



Encl.: As above

**Regd. Office & Works :**

**EIMCO ELECON (INDIA) LTD.,** Anand Sojitra Road, Vallabh Vidyanagar - 388 120. Gujarat, India.  
Tel. : (02692) 230502, 230602, 230902, Telefax : (02692) 236506  
Website : [www.eimcoelecon.in](http://www.eimcoelecon.in) | CIN : L29199GJ1974PLC002574



# **EIMCO ELECON (INDIA) LIMITED**

**ANNUAL REPORT  
2017-2018**



**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Shri Nilesh D. Shelat

**COMPANY SECRETARY**

Smt. Bharti L. Isarani

**AUDITORS**

Messrs Thacker Butala Desai  
Chartered Accountants  
Navsari

**BANKERS**

State Bank of India  
Anand

**REGD. OFFICE & WORKS**

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

**REGISTRAR & SHARE TRANSFER AGENT****Mumbai Office**

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

**Vadodara Office**

M/s. Link Intime India Pvt. Ltd.  
B-102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Crossing, 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 44<sup>th</sup> Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be convened on Tuesday, the 31<sup>st</sup> July, 2018 at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar 388 120, Gujarat State to transact following business :

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended on 31<sup>st</sup> March, 2018 and the Reports of the Board of Directors & Auditors thereon.
2. To declare Dividend on Equity Shares of the Company for the financial year ended on 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Shri P. C. Amin (DIN 01056652) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enact thereof, for the time being in force), and pursuant to the appointment of M/s. Thacker Butala Desai, Chartered Accountants, (Registration No. 110864W) made at the 43<sup>rd</sup> Annual General Meeting of the Company held

on 2<sup>nd</sup> August, 2017, the Company hereby ratifies the appointment of M/s. Thacker Butala Desai, Chartered Accountants, (Registration No. 110864W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 45<sup>th</sup> Annual General Meeting for the financial year 2018-19 on such remuneration as may be decided by the Board of Directors of the Company.”

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass 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 on 31<sup>st</sup> March, 2019 to M/s. Y. S. Thakar & Co., Cost Accountants (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 on 31<sup>st</sup> March, 2019, amounting to ₹ 40,000/- (Rupees Forty Thousand only) 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.”

6. To consider and if thought fit, to pass following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (‘the Act’) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing



Regulations), and the Company's policy on Related Party Transactions, the approval of the Members be and is hereby accorded to the contract(s)/arrangement(s)/transaction(s) to be entered into by the Company with Emtici Engineering Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be mutually agreed between the Company and Emtici Engineering Limited, the Commission payable to Emtici being the material transaction as per the Act and the Listing Regulations may exceed the 10% of consolidated turnover of last audited financial results of the Company, for the period of five years commencing from 1<sup>st</sup> April, 2018, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Board of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution".

7. To consider and if thought fit to pass following Resolutions as a Special Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable

provisions, if any, of the Companies Act, 2013 and amendments thereof from time to time, the approval of the Members of the Company be and is hereby accorded to make the payment of remuneration to Shri M.G. Rao, the Whole-time Director of the Company in excess of 5% of the Net Profit of the Company computed under Section 198 of the Companies Act, 2013 but within the overall limit of 10% of the Net Profit of the Company as computed under Section 198 of the Companies Act, 2013 for the Financial Year 2017-18.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Board of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution".

By Order of the Board of Directors,

Registered Office:

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

Date : 3<sup>rd</sup> May, 2018

**Bharti L. Isarani**  
Company Secretary

## NOTES :

**A. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 and 6 of the accompanying Notice are annexed hereto.**

**B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT 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 COMMENCEMENT OF 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 per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.**

**C. The Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.**

**D. The Register of Members & Share Transfer Books of the Company will be closed from 25<sup>th</sup> July, 2018 to 31<sup>st</sup> July, 2018 (both days inclusive).**

**E. The payment of dividend on equity shares as recommended by the Board of Directors for the financial year ended on 31<sup>st</sup> March, 2018 when declared at the meeting will be paid:**

1. To those members whose names appear

in the Register of Members of the Company on 25<sup>th</sup> July, 2018.

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 24<sup>th</sup> July, 2018.

F. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on/ after 3<sup>rd</sup> August, 2018.

G. 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.

H. 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.

I. A route map showing the direction to reach the venue of the Annual General Meeting is provided at the last page of this Report.

J. In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the “Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred all equity shares in respect of which dividends had remained unclaimed by the shareholders for seven consecutive years or more i.e. for Financial Year 2009-10, to the IEPF Suspense Account.

Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and Rules made thereunder. The details of the shareholders whose equity shares/dividend had been transferred to the IEPF Suspense Account are available on the website of the Company i.e. [www.eimcoelecon.in](http://www.eimcoelecon.in).





To know necessary guidelines and procedures for claiming the dividend and shares from IEPF, please login in to <http://www.iepf.gov.in/IEPFA/refund.html>.

- K. 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 Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Pvt. Ltd.
- L. 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 M/s. Link Intime India Pvt. Ltd., for assistance in this regard.

- M. 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 M/s. 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.
- N. 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.

By Order of the Board of Directors,

Registered Office:  
Anand-Sojitra Road,  
Vallabh Vidyanagar,  
Gujarat - 388 120.

Date : 3<sup>rd</sup> May, 2018

**Bharti L. Isarani**  
Company Secretary

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

- (i) The voting period begins on 28<sup>th</sup> July, 2018 at 09.00 a.m. and ends on 30<sup>th</sup> July, 2018 at 5.00 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 24<sup>th</sup> July, 2018 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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN Number</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Address Stickers, affixed on the Annual Report.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. <ul style="list-style-type: none"> <li>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).</li> </ul>

- (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 a 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 login 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 Apple-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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details the user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **COMMENCEMENT OF REMOTE E-VOTING PERIOD:**

1. The e-voting period commences on 28<sup>th</sup> July, 2018 (9.00 a.m.) and ends on 30<sup>th</sup> July, 2018 (5.00 p.m.). During this period, Shareholders of

the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is 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](http://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, Practicing Company 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 casted their vote by remote e-voting shall be able to exercise their right at the meeting.
5. Members who have casted 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. 24<sup>th</sup> July, 2018.

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

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 on 31<sup>st</sup> March, 2019 as per following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees
1.	Y. S. Thakar & Co.	Engineering	₹ 40,000/- 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.

None of the Director 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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution for Item No. 5.

**Item No.6**

Emtici Engineering Ltd. is a related party of the Company under the provisions of the Companies Act, 2013 ('Act') and related regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company had executed the Dealership Agreement with the Emtici Engineering Limited ('Emtici'), which expired on 31<sup>st</sup> March, 2018. The Company desires to renew the Dealership Agreement with Emtici for five years commencing from 1<sup>st</sup> April, 2018.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of Shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per the last audited financial statements of the Company.

In financial year 2017-18, the turnover of the company was ₹ 142.17 crores. However, the turnover of the Company is subject to change every year in future.

However, in compliance of Section 188 of the Companies Act, 2013 and Rules made thereunder read with Regulation 23 and other related regulations of Listing Regulations and the Company's policy on Related Party Transactions; the value of the proposed aggregate commission to be paid to Emtici is likely to exceed the said threshold limit for next five financial years commencing from 1<sup>st</sup> April, 2018.

The Company had received the prior approval of Audit Committee and the consent from Board of Directors of the

Company in their respective meetings held on 6<sup>th</sup> February, 2018, for renewal of the Agreement and payment of commission to EMTICI, which may increase as per threshold limit as specified under the Act, Rules made thereunder & Listing Regulations.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with Emtici are as follows :

1. Name of the Related Party:- Emtici Engineering Limited ('Emtici')
2. Name of the Director or KMP who is related:- None of the Director except Shri P. B. Patel to the extent of shareholding therein and Shri P. M. Patel, being the relative of Shri P. B. Patel.
3. Nature of Relationship:- Group Company.
4. Nature, material terms, monetary value and particulars of the contract or arrangement:- Agreement of Dealership for the period of five financial years commencing from 1<sup>st</sup> April, 2018. Monetary value of proposed aggregate transactions during five financial years commencing from 2018-19 is expected to be varied depending on the turnover of the company from year to year, which may exceed the threshold limit.

Draft copy of the abovesaid Agreement will be available at the office during the office hours for inspection.

Shri P. B. Patel, Executive Director and Shri P. M. Patel, Director are interested in the Resolution. None of the other Directors and any other Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends passing of the resolution as set out at Item No. 6 of this Notice as an Ordinary Resolution.

**Item No. 7**

Shri M. G. Rao is associated with the Company from 8th September, 2011 as a Whole-time Director. He was re-appointed as a Whole-time Director for further three years with effect from 8th September, 2016 on the terms and conditions as agreed by and between the Company and Shri M. G. Rao and approved by the Members at their 42<sup>nd</sup> Annual General Meeting of the Company held on 25<sup>th</sup> July, 2016.

Shri M. G. Rao was paid the remuneration as per the agreed terms by and between the Company and himself which exceeded 5% of the Net Profit computed under Section 198 of the Companies Act, 2013 ('the Act') for the Financial Year 2017-18 due to shrinkage in profit for said year.

Referring to the Sub-section 1 of Section 197 of the Companies Act, 2013 requires approval of the Members in General Meeting. On the recommendation of the Nomination & Remuneration Committee Meeting held on 3rd May, 2018; the Board approved the payment of remuneration as per agreed terms and conditions which was in excess of 5% of the Net Profit computed under Section 198 of the Act and seeks your approval.



None of the Directors except Shri M.G. Rao, Whole-time Director and any other Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends passing of the resolution as set out at Item No. 7 of this Notice as a Special Resolution.

### **Details of the Director seeking re-appointment at the forthcoming Annual General Meeting**

(Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015)

<b>Name of Director</b>	<b>Shri Prashant C. Amin</b>
Date of Birth	9.08.1956
Date of Appointment	25.10.2007 but nominated as a Nominee of Elecon Engineering Co. Ltd. w.e.f. 9.11.2016.
DIN	01056652
Nationality	United States of America
Qualifications	M.B.A. (Finance) (U.S.A.) & Master Degree in Engineering & Management
Brief Resume and Expertise in specific Functional areas	<p>Shri Prashant C. Amin has more than 31 years of experience in founding various new ventures in different geographies and operating enterprises with strong leadership, strategy building and operational direction.</p> <p>He is a Nominated Director by the Joint Venture Company namely Elecon Engineering Company Limited, wherein, he has taken the responsibility of driving the Company to new heights of growth and social responsibility.</p> <p>He is actively involved in the local business developments as trustee at the Vithal Udyognagar Industries Association and is a Board Member of the Sardar Patel Energy Research Institute, the Charotar Vidya Mandal and Charotar Arogya Mandal. He also served CII Gujarat State Council as its Chairman for the year 2017.</p>
List of other Listed Companies in which outside Directorship held as on 31 <sup>st</sup> March, 2018.	- Elecon Engineering Company Limited
Chairman/Membership of Audit Committee and Stakeholders' Relationship Committees in other Listed Companies as on 31 <sup>st</sup> March, 2018.	-
No. of Shares held	1275
Relationship with any Director of the Company	-

By Order of the Board of Directors,

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

Date : 3<sup>rd</sup> May, 2018

**Bharti L. Isarani**  
Company Secretary

**BOARD'S REPORT**

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

The Directors take pleasure in presenting the 44<sup>th</sup> Annual Report together with the audited financial statements for the financial year ended on 31<sup>st</sup> March, 2018.

**1. HIGHLIGHTS OF PERFORMANCE**

Total Revenue for the year decreased to ₹ 15,176.93 lakhs as compared to ₹ 19,888.99 lakhs in the previous year. Profit Before Tax for the year was ₹ 1,943.64 lakhs as compared to ₹ 2,979.19 lakhs in the previous year. Profit After Tax for the year was ₹ 1,644.44 lakhs as compared to ₹ 2,509.10 lakhs in the previous year.

**2. FINANCIAL RESULTS**

(₹ in Lakhs)

	31-03-2018 Standalone	31-03-2017 Standalone	31-03-2018 Consolidated	31-03-2017 Consolidated
Profit before Tax	1943.64	2979.19	1926.27	2941.70
Less: Provision for Taxation	299.20	470.09	299.20	470.09
<b>PROFIT AFTER TAX</b>	<b>1644.44</b>	2509.10	<b>1627.07</b>	2471.61
Add: Balance brought forward from last year	4969.29	4321.69	5285.87	4729.57
Other Comprehensive Income	16.49	(14.36)	16.49	(14.36)
Share in Associate (on sale of investment)	-	-	-	(53.81)
<b>Total</b>	<b>6630.22</b>	6816.43	<b>6929.43</b>	7133.01
<b>APPROPRIATED AS</b>				
Dividend	288.42	288.42	288.42	288.42
Tax on Distributed Profit	58.72	58.72	58.72	58.72
Transfer to General Reserve	900.00	1500.00	900.00	1500.00
Balance Carried Forward	5383.08	4969.29	5682.29	5285.87
<b>Total</b>	<b>6630.22</b>	6816.43	<b>6929.43</b>	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 31<sup>st</sup> March, 2018.

**4. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

The Company has neither subsidiary nor Joint Venture Company.

**Associate Company :**Eimco Elecon Electricals Limited

Your Company holds 47.62% of the Equity Shares of Eimco Elecon Electricals Ltd. The Loss for the financial year ended on 31<sup>st</sup> March, 2018 was ₹ 36.46 Lakhs as against ₹ 78.72 Lakhs for the financial year ended on 31<sup>st</sup> March, 2017.

**5. SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 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.

**6. FINANCE**

Cash and Cash Equivalent as at 31<sup>st</sup> March, 2018 was ₹ 401.65 lakhs. The Company continues to focus on judicious management of its working capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring. The whole of the properties of the Company have been suitably insured.

**7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**8. FIXED DEPOSITS**

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

**9. DIRECTORS**Retire by Rotation

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

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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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.

#### **10. 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 31<sup>st</sup> March, 2018. 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018; 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 31<sup>st</sup> March, 2018.

#### **11. KEY MANAGERIAL PERSONNEL**

During the year under review, Shri Prayasvin B. Patel, Executive Director of the Company has resigned as a Key Managerial Person of the Company w.e.f. 1<sup>st</sup> December, 2017. However, he will continue as an Executive Director of the Company.

Apart from above, there is no change in Key Managerial Personnel of the Company.

#### **12.1 AUDIT COMMITTEE**

The Board has constituted an Audit Committee pursuant to the provisions of Sections 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)  
Smt. Manjuladevi Shroff (Member)

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

#### **12.2 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.

#### **12.3 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 "A"**.

#### **12.4 MEETINGS**

During the year under review, 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.

### 13. 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 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>

### 14. 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 'B'**.

### 15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

### 16. 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 'C'** to this Report.

### 17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### 18. 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>

### 19. 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 'D'** to this Report along with the Auditors' Certificate on its compliance by the Company.

### 20. 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 'E'** to the Board's Report.

### 21. 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 'F'** forming part of this report.

### 22. STATUTORY AUDITORS

Messrs Thacker Butala Desai, Chartered Accountants, Navsari were appointed for a period of five years at the 43<sup>rd</sup> Annual General Meeting of the Company subject to ratification of their appointment every year.

The proposal for ratification of their appointment as Statutory Auditors has been placed before the ensuing 44<sup>th</sup> Annual General Meeting of the Company.



**23. 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 31<sup>st</sup> March, 2019 on a remuneration of ₹ 40,000/- plus taxes as applicable and out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Y. S. Thakar & Co., the Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

**24. 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 'G'**.

**25. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed herewith as **Annexure 'H'**.

**26. 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.

**27. 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.

**28. RISK MANAGEMENT**

Although it is not mandatory for the Company, the Board of Directors of your Company has constituted a Risk Management Committee 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.

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

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

Following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

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

**30. COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

**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 : 3<sup>rd</sup> May, 2018

## ANNEXURE - “A” TO BOARD’S REPORT - ITEM NO.12.3

### 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.



**ANNEXURE - 'B' TO BOARD'S REPORT - ITEM NO.14****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 P. M. Patel - Chairman  
Shri P. C. Amin - Member  
Smt. Manjuladevi Shroff - Member

3. **Average Net Profit of the Company for last three Financial Years** ₹ 2585.83 Lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)** ₹ 51.72 Lakhs

5. **Details of CSR spent for the financial year:**

a. Total amount spent for the financial year: ₹ 51.72 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	Amt. Outlay (Budget) Project or Program-wise (₹ in Lakhs)	Amt. Spent on projects or programmes (₹ in Lakhs)	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
			Districts (State)				
1.	Educational Scholarship, providing educational aid to needy students and Scholarship to meritorious students	Education	District-Anand State-Gujarat	50.22	50.22	50.22	Through implementing Agency*
2.	Health Care	Health	District-Anand State-Gujarat	1.50	1.50	1.50	

\* Details of implementing Agencies:- (1) B. I. Patel Charitable Trust (2) I. B. Patel Charitable Trust

**Our CSR responsibilities:**

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

For and on behalf of the Board of Directors,

**M. G. Rao**  
Whole-time Director

**P. C. Amin**  
Director

**P. M. Patel**  
Chairman of  
CSR Committee

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018





## **Management's Discussion and Analysis**

### **ANNEXURE - "C" TO BOARD'S REPORT - ITEM NO. 16**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

##### **COAL INDUSTRY**

In India, coal accounts for the majority of primary commercial supply in India's energy sector. Coal will continue to be a dominant commercial fuel for two decades from now and beyond, despite our nuclear energy programme, development of natural gas supplies, increased hydropower generation, and emphasis on renewable energy. 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. Coal has been recognized as the most important source of energy for electricity generation and industries such as steel, cement, fertilizers and chemicals are major sectors of coal consumption. In order to satisfy the coal demand, the Indian coal industry needs more investment and private players to raise its production level.

Coal production of CIL grew by 2.4% only in this (2017-18) financial year. However India is still the net importer of coal of both the varieties i.e. coking and non-coking coal. CIL and SCCL are keeping their ambitious targets intact and doing expansion also, but the mining projects take long time to start production due to regulatory issues. Government is now planning to auction the coal block for the commercial mining (non-captive use) purpose also. This will create a private sector competition for CIL, which may have different impact on CIL in short term and long term like opening of the Telecom, Power and Aviation sectors.

##### **FUTURE SCENARIO**

The Indian coal industry aspires to reach the 1.5 billion tonne (BT) mark by the Financial Year 2020. Presently, India imports large percentage of Coal in order to satisfy its total coal demand of about 25%. The government expects that by 2017-19, it will not have to import coal, except to feed power plants located along the coast. There are two goals of the Government of India, one is to ensure to meet the country's power generation needs and another is to lower the country's reliance on coal imports by boosting the coal production quickly. According to the government, the Coal imports have shrunk by around 9%, which is a positive trend in Coal Industry this year. India has planned to almost double its production to one billion tonnes by 2020 to meet its growing requirements.

As stated above, India is importing coal from developed economies like Russia, Australia and even USA, which indicates that demand and price both are conducive to increase in production. The demand of coal is steadily growing for both steel and power segment. Due to scarcity of alternate fuel like gas in our country the steel sector is going to be dependent on coal for long run. The nonconventional energy like solar, wind and nuclear are not able to satiate even the incremental demand of power, therefore all studies predict increase in coal demand in immediate future.

##### **OPPORTUNITIES & THREATS**

India is expected to become the fifth largest manufacturing country in the world by the end of 2020. The Government of India has set an ambitious target of increasing the contribution of manufacturing

output to 25% of Gross Domestic Product (GDP) by 2025, from 16% currently. This growth in the manufacturing sector will also lead to the growth of the mining sector as the outputs of the mining sector act as inputs for the manufacturing sector. As the manufacturing sector expands, it is expected that even the mining sector will expand because of the domino effect. Over 80% of the mining in India is done in coal which has never been opened to commercial mining. In India, the end-use sectors of coal mainly include electricity, iron and steel and cement. Demand from the unorganised small scale sector comprising primarily of the brick and ceramic industry is also relatively large. Lower grade coal, higher delivery costs and logistical challenges will limit India's ability to extract coal efficiently in large quantities. According to sector experts, the primary constraint is non-availability and load time for railway rakes. If the railway's logistical abilities are not in place, it is highly improbable for coal to move from mines to destined locations.

##### **CONSTRUCTION EQUIPMENT INDUSTRY**

The Indian economy will remain the fastest growing economy in the world in 2018, according to International Monetary Fund. 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 including in Infrastructure equipment. Recently, a great emphasis is laid on raising Infrastructure expeditiously through award of projects. 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 spending, the construction equipment industry has shown growth trend from the continuous falling trend of earlier 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. Increasing number of public private partnerships and government initiatives such as smart city development projects would also aid the construction equipment market in India during the forecast period.

There has been macro-economic stability on economic front through fiscal consolidation, check on inflation & reduction in CAD to GDP ratio. There has been good reforms wrt Bankruptcy Law, Bank Recapitalisation and the Goods and Service Tax (GST). Also Disinvestment numbers have improved upon in last couple of years. The financial reforms inform of JAM trinity of Jan Dhan, Aadhar and Mobile has witnessed rising adoption. This has helped higher allocation to sectors like Railways & Roads & Rural Development. Further, the major growth drivers for construction equipment industry will be, focus on timely execution of projects through improved governance & easy availability of finance. Awareness & emphasis on qualitative approach will lead to focus on high quality & technology driven equipment. Growing urbanization & Increasing affordability is expected to further spur up the demand for construction equipment in near future. Based on the recent projections, the ICE (Indian Construction Equipment)

market is expected to grow by around 7 to 10 percent over the next few years.

There had been temporary challenges due to the impact of Demonetization and GST implementation to Construction Equipment Industry which has been over whelmed by the focus of the Government in allocation of Funds to Infrastructure Projects & on Implementation of projects at ground level.

#### **FUTURE SCENARIO**

Based on the Planning Commission estimates total infrastructure spending be about 10% of GDP during 12<sup>th</sup> Five Year Plan (2012-17), various global manufacturers have put their stake by investing in the Indian construction equipment industry over last few years. With the enhanced budgetary expenditure on infrastructure for 2018-19 in recent budget & the PRAGATI initiative from PM to fast track the allocated projects it is envisaged that the recent upward trend of construction equipment will continue this year. Increased spending on Highways & Railways, Aviation, Water revitalization will create an opportunity for construction equipment companies. A number of domestic players, who have expanded their capabilities or diversified their product portfolios, through collaboration & tie-up arrangements, have also started taking aggressive approach under the new economic scenario.

The Government of India has made infrastructure creation a major pillar for sustainable growth. 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 Bharat Mala - Road Network across Border & Coastal Areas, UDAN – Development of Airports, Swachh Bharat Abhiyan - Solid Waste Disposal, Nirmal Ganga Sehbhagyta - Clean Ganga, 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**

With improved off-take of various infrastructure projects, the improved version of AL-120, a mid-sized Compact Wheel Loader with 2.3T pay load capacity, with superior features, will carve its product placement among similar equipment presently in vogue and used by construction companies. 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 use in Industry material handling as well as Infra projects, has also been launched and the same will be seen joining the league of earlier introduced products. 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.

50% of the demand for construction activities in India comes from the Infrastructure sector, while the rest comes from Industrial activities, residential and commercial development etc. Infrastructure plays a major role in growth & development of any nation. 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.

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

Coal Ministry has admitted to coal shortage even after making tall claims of rise in production, they said, adding it has now directed Coal India to supply fuel out of turn to PSUs to keep them running and prevent losses, all this at the cost of the private sector. Bottlenecks in coal supply to power plants turned out to be a big issue this year.

India's coal imports was decreased from 18.59 million tonnes in April' 17 to 15 million tonnes in July' 17. However, the trend of declining coal imports got reversed during the period July'17 to November' 17 and the Coal imports increased to 18.39 million tonnes in the month of November' 17, when the coal stock in 19 power plants reached critical levels during the month of October' 17. 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.

#### **RISKS 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. As on 31<sup>st</sup> March, 2018 there were 152 permanent employees on role of the Company.

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

Sales & Other income for the year ended 31<sup>st</sup> March, 2018 were ₹ 151.76 Crores as compared to ₹ 198.88 Crores on 31<sup>st</sup> March, 2017. The net profit stood at ₹ 16.44 Crores (previous year ₹ 25.09 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.

## Corporate Governance Report

### ANNEXURE 'D' TO THE BOARD'S REPORT - ITEM NO.19

#### 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 31<sup>st</sup> March, 2018

Category	No. of Directors
Independent Directors	4
Executive Directors	2
Non-Executive Director	1
#Nominee Director	1
<b>Total</b>	<b>8</b>

# 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 11<sup>th</sup> January, 1996. He is MBA (USA). He is associated with Bearing Industry. Shri P. M. Patel is a member of the Audit, Nomination and Remuneration, Risk, Stakeholders' Relationship and Corporate Social Responsibility 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

was appointed as Executive Director of the Company with effect from 9<sup>th</sup> November, 2016. He is MBA (USA) and the Chairman and Managing Director of Elecon Engineering Co. Ltd. He has more than 36 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 8<sup>th</sup> 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 the Chairman of the Audit Committee and Nomination & Remuneration Committee of the Board.

##### Shri Nirmal Bhogilal, Independent Director

Shri Nirmal Bhogilal was appointed as Director with effect from 23<sup>rd</sup> September, 2011. Shri Nirmal Bhogilal is B.Sc. (Engg.) Chemical Engg. (London University) A.C.G.I. He is the Chairman and Managing Director of Batliboi Ltd. since 1973. Shri Nirmal Bhogilal is a Member of the Audit and Nomination & Remuneration Committees of the Board.

##### Smt. Manjuladevi Shroff, Independent Director

Smt. Manjuladevi Shroff was appointed as Director with effect from 2<sup>nd</sup> 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 Audit and Corporate Social Responsibility Committees of the Board.

##### Ms. Reena Bhagwati, Independent Director

Ms. Reena Bhagwati was appointed as an Independent Director from 2<sup>nd</sup> August, 2017 for five consecutive years. She is the Managing Director of Bhagwati Autocast Ltd. and has very vast experience in management field. She is MBA from USA.

##### Shri P. C. Amin, Non-Independent - Nominee Director

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

##### Shri M. G. Rao, Whole-time Director

Shri M. G. Rao was appointed as Whole-time Director from 8<sup>th</sup> September, 2011 and who was further re-appointed for further period of three years w.e.f. 8<sup>th</sup> September, 2016. Shri M. G. Rao is M.E. (Welding). He has more than 38 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 is of 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 / Committee Meetings**

Minutes of the proceedings of each Board/ Committee Meeting is recorded and the same is approved in the next Board/ Committee 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, Rules made thereunder and per the Secretarial Standards issued by the Institute of Company Secretaries of India.

**(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, 2013, SEBI Guidelines, Listing Regulations 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 2017-18, four (4) Board Meetings were held i.e. on 18<sup>th</sup> May, 2017; 2<sup>nd</sup> August, 2017; 7<sup>th</sup> November, 2017 and 6<sup>th</sup> February, 2018 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 Directors	Category of Directorship	No. of Board Meetings attended out of 4 held	Attendance at AGM held on 2 <sup>nd</sup> August, 2017	No. of other Directorships in other companies (excluding Directorships in foreign and private companies)	No of Committee positions held in other public companies*	
						Member	Chairman
1.	Shri P. M. Patel	NED(P)	4	Yes	3	3	-
2.	Shri P. B. Patel	ED(P)	4	Yes	9	-	-
3.	Shri Nalin Shah	NED(I)	4	Yes	4	2	2
4.	Shri Nirmal Bhogilal	NED(I)	3	Yes	1	1	-
5.	Shri P. C. Amin	NED(P)	4	Yes	8	-	-
6.	Smt. Manjuladevi Shroff	NED(I)	2	No	4	2	-
7.	Ms. Reena Bhagwati	NED(I)	2	No	1	2	-
8.	Shri M. G. Rao	WTD	4	Yes	2	-	-

**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, 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 Director (Promoter)

ED (P) - Executive Director (Promoter)

NED(I) - Non-Executive Director (Independent)

WTD – Whole-time Director

Personal Shareholding of Non-Executive Directors is as follows :

No. of Equity shares as at the year end.

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

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

Shri P. C. Amin, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Shri P.C. Amin, Director retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company are given in the notice of Annual General Meeting, annexed to this Annual Report.

**CIRCULAR RESOLUTION:**

During the year under review, there is one circular resolution was passed by the Board of Directors dated 1<sup>st</sup> December, 2017.

**AUDIT COMMITTEE**

The Audit Committee is governed by and 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)
Smt. Manjuladevi Shroff	Member	NED(I)



Meetings and attendance during the year :

Members	Attendance at Committee Meeting held on			
	18 <sup>th</sup> May, 2017	2 <sup>nd</sup> August, 2017	7 <sup>th</sup> November, 2017	6 <sup>th</sup> February, 2018
Shri Nalin Shah	Yes	Yes	Yes	Yes
Shri P. M. Patel	Yes	Yes	Yes	Yes
Shri Nirmal Bhogilal	No	Yes	Yes	Yes
Smt. Manjuladevi Shroff	Yes	No	Yes	No

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.

The 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 Nalin Shah	Chairman	NED(I)
Shri P. M. Patel	Member	NED(P)
Shri Nirmal Bhogilal	Member	NED(I)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	18 <sup>th</sup> May, 2017
Shri Nalin Shah	Yes
Shri P. M. Patel	Yes
Shri Nirmal Bhogilal	No

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

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

(Amount in ₹)

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Shri M. G. Rao Whole-time Director	80,00,000	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	Nil	94,37,311	3 years from 8 <sup>th</sup> September, 2016
Shri P. B. Patel, Executive Director	60,00,000		Nil	62,88,456	5 years from 9 <sup>th</sup> November, 2016

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

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

(Amount in ₹)

Name	Sitting Fees		Commission	Total (₹)
	Board Meeting	Committee Meeting		
Shri P. M. Patel	1,00,000	1,32,500	2,50,000	4,82,500
Shri P. C. Amin	1,00,000	25,000	2,50,000	3,75,000
Shri Nalin Shah	1,00,000	1,07,500	2,50,000	4,57,500
Shri Nirmal Bhogilal	75,000	75,000	2,50,000	4,00,000
Smt. Manjuladevi Shroff	50,000	55,000	2,50,000	3,55,000
Ms. Reena Bhagwati	50,000	Nil	2,50,000	3,00,000

#### 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 P. C. Amin	Chairman	NED(P)
Shri P. M. Patel	Member	NED(P)
Shri N.D. Shelat	Member	CFO

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	18 <sup>th</sup> May, 2017	2 <sup>nd</sup> August, 2017	7 <sup>th</sup> November, 2017	6 <sup>th</sup> February, 2018
Shri P.C. Amin	Yes	Yes	Yes	Yes
Shri P. M. Patel	Yes	Yes	Yes	Yes
Shri N. D. Shelat	Yes	Yes	Yes	Yes

The Company Secretary 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 P. M. Patel	Chairman	NED(P)
Shri P. C. Amin	Member	NED(P)
Smt. Manjuladevi Shroff	Member	NED(I)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	18 <sup>th</sup> May, 2017
Shri P. M. Patel	Yes
Shri P. C. Amin	Yes
Smt. Manjuladevi Shroff	No

The Company Secretary acts as a Secretary of the Committee.

**RISK MANAGEMENT COMMITTEE**

Pursuant to Regulation 21 of SEBI (LODR), 2015; the constitution of Risk Management Committee is applicable only to the top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Hence, this provision is not applicable to the Company.

However, Business Risk Evaluation and Management is an ongoing process within the Company. As a prudent step, following is the constitution of the Risk Committee:

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 N. D. Shelat	Member	CFO

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 6<sup>th</sup> February, 2018, 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 their 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](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**

During last three years, there was neither non-compliance made by the Company nor any penalty or strictures imposed on the Company by any stock exchange(s) or the SEBI or any other statutory authority, on any matter related to capital markets.

### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards as notified by the Ministry of Corporate Affairs. 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-compliance. 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 Personnel have affirmed compliance with the "Code of Conduct" for the year ended on 31<sup>st</sup> March, 2018.

**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 31<sup>st</sup> March, 2018.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy. The Company takes cognizance of complaints made and suggestions given, if any, 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
2016-2017	Registered Office at Vallabh Vidyanagar, Gujarat	2-08-2017	2.30 p.m.
2015-2016	-do-	25-07-2016	4.00 p.m.
2014-2015	-do-	13-08-2015	4.30 p.m.

**B. Special Resolution**

There was no Special Resolution passed in the previous three Annual General Meetings.

**C. Postal Ballot**

The Company has not passed any resolution through postal ballot during the year 2017-18.

**Procedure for Postal Ballot**

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made thereunder, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility be provided to all members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members had the option to vote either electronically or by physical ballot.

## 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, half-yearly and annual financial results were normally published.	Economic Times (English & Gujarati), Business Standard (English), Jaihind (Gujarati)
iii.	Any website where results or official news are displayed.	<a href="http://www.eimcoelecon.in">www.eimcoelecon.in</a>
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** Tuesday, 31<sup>st</sup> July, 2018 at 03.00 p.m.  
at Registered Office of the Company at  
Vallabh Vidyanagar.
- ii. **Financial Year** 2017-18 (year ending on 31<sup>st</sup> March, 2018)
- iii. **Book Closure Date** 25<sup>th</sup> July, 2018 to 31<sup>st</sup> July, 2018 (both days inclusive)
- iv. **Dividend Payment Date** Credit / Dispatch of dividend warrants on/after 3<sup>rd</sup> August, 2018  
but within 30 days of AGM

### v. Unclaimed Dividend :

Section 125 of the Companies Act, 2013, mandates that Company shall 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 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
2010-2011	2 <sup>nd</sup> August, 2011	3 <sup>rd</sup> August, 2011	31 <sup>st</sup> August, 2018
2011-2012	30 <sup>th</sup> July, 2012	2 <sup>nd</sup> August, 2012	29 <sup>th</sup> July, 2019
2012-2013	1 <sup>st</sup> August, 2013	3 <sup>rd</sup> August, 2013	31 <sup>st</sup> July, 2020
2013-2014	5 <sup>th</sup> August, 2014	7 <sup>th</sup> August, 2014	4 <sup>th</sup> August, 2021
2014-2015	13 <sup>th</sup> August, 2015	17 <sup>th</sup> August, 2015	12 <sup>th</sup> August, 2022
2015-2016	25 <sup>th</sup> July, 2016	28 <sup>th</sup> July, 2016	24 <sup>th</sup> July, 2023
2016-2017	2 <sup>nd</sup> August, 2017	4 <sup>th</sup> August, 2017	7 <sup>th</sup> September, 2024

**vi. Unclaimed Shares**

Information as per Regulation 39(4) read with Schedule VI of the Listing Regulations regarding 'Unclaimed Suspense Account' of Equity Shares:-

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2017	24	1450
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	1	50
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL	NIL
Number of shareholders/shares transferred to IEPF Authority during the year.	23	1400
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2018	1	50

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof, the shares on which dividend has not been claimed for seven consecutive years or more, then such shares are required to be transferred to Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

During the year, 22,224 equity shares of 210 folios were transferred to IEPF Authority.

To know necessary guidelines and procedures for claiming the dividend and shares from IEPF Authority, please login into <http://www.iepf.gov.in/IEPFA/refund.html>.

**vii. Listing on Stock Exchanges**

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

**BSE Limited**

P. J. Towers, 25<sup>th</sup> Floor, Dalal Street,  
Mumbai - 400 001.

**National Stock Exchange of India Limited**

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

The listing fees for the year 2017-18 for the above Stock Exchanges have been paid in time and the shares of the Company have been neither de-listed nor suspended from trading during the year under review.

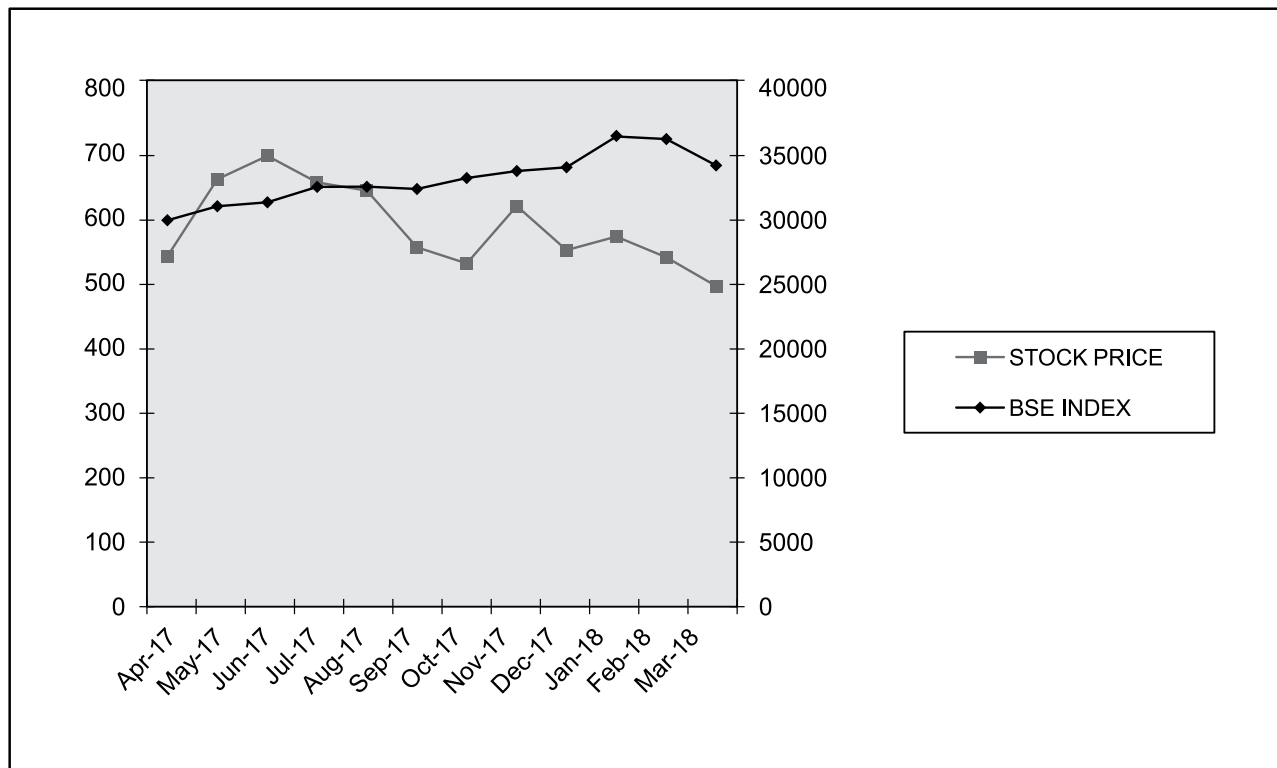
**viii. Stock Code**

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

**ix. Stock Market Price Data**

Months 2017-18	BSE Ltd. (BSE)			BSE Index		National Stock Exchange of India Ltd. (NSE)		
	High (₹)	Low (₹)	Volume (Nos.)	High	Low	High (₹)	Low (₹)	Volume (Nos.)
Apr 2017	550.00	469.50	43001	30184.22	29241.48	540.00	460.00	91690
May 2017	665.30	497.00	123605	31255.28	29804.12	659.00	495.00	220267
Jun 2017	700.00	573.10	83840	31522.87	30680.66	700.00	580.65	158099
Jul 2017	660.00	582.05	46598	32672.66	31017.11	667.95	590.05	89654
Aug 2017	648.95	475.10	45259	32686.48	31128.02	648.00	405.20	79703
Sep 2017	563.70	500.00	19571	32524.11	31081.83	565.00	494.00	57626
Oct 2017	639.00	515.20	40775	33340.17	31440.48	640.00	511.00	103243
Nov 2017	625.00	460.25	46494	33865.95	32683.59	643.90	452.00	107617
Dec 2017	559.80	495.00	12851	34137.97	32565.16	559.00	482.25	44244
Jan 2018	579.90	488.10	21764	36443.98	33703.37	580.00	485.00	97655
Feb 2018	548.00	459.00	20151	36256.83	33482.81	522.90	444.25	31207
Mar 2018	506.00	399.00	20950	34278.63	32483.84	496.00	385.50	52165

**x. Index graph**

**xi. 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 the Registrar & Share Transfer Agent of the Company i.e. 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 2017-18, the Company and its Registrar & Transfer Agent has received various requests from shareholders as detailed hereunder:-

No. of requests for Transfer	-	11 (900 shares)
No. of requests for Duplicate share certificates issuance	-	186 (including IEPF)
Investors' complaints	-	Nil

All the above requests / transfers had been attended and there was no any investor grievance pending as on 31<sup>st</sup> March, 2018

**xii. Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	5734	94.2782	565405	9.8018
501-1000	165	2.7129	126378	2.1909
1001-2000	101	1.6606	143746	2.4920
2001-3000	32	0.5261	84374	1.4627
3001-4000	11	0.1809	39238	0.6802
4001-5000	11	0.1809	52713	0.9138
5001-10000	11	0.1809	79181	1.3727
10001 & above	17	0.2795	4677350	81.0860
<b>Total</b>	<b>6082</b>	<b>100.0000</b>	<b>5768385</b>	<b>100.0000</b>

**xiii. Shareholding Pattern as at 31<sup>st</sup> March, 2018**

	Category	No. of Shares held	% of Shareholding
A	Promoters' holding		
1.	- Indian Promoters	2817645	48.8463
	- Foreign Promoters	1447875	25.1002
2.	Persons acting in concert	6275	0.1088
	<b>Sub-total</b>	<b>4271795</b>	<b>74.0553</b>
B.	Non-Promoters' Holding		
3.	Institutions		
a.	Mutual Funds / UTI	276428	4.7921
b.	Financial Institutions/ Banks	205	0.0036
	<b>Sub-total</b>	<b>276633</b>	<b>4.7957</b>



	Category	No. of shares held	% of Shareholding
4.	Non-Institutions		
a.	Bodies Corporate	125366	2.1733
b.	Indian Public	957476	16.5986
c.	Non-Resident Indians	39860	0.6910
d.	HUF	57642	0.9993
e.	IEPF Authority	22224	0.3853
f.	Any Other	17389	1.0001
	<b>Sub-total</b>	<b>1219957</b>	<b>21.1490</b>
	<b>GRAND TOTAL</b>	<b>5768385</b>	<b>100.0000</b>

**xiv. Dematerialization of shares and liquidity.**

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

As on 31<sup>st</sup> March, 2018, 98.39% (5675229 Shares) have been dematerialized.

**xv. Outstanding GDR/ADR/Warrants or convertible instruments : Nil**

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

**xvii. 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](mailto:investor@eimcoelecon.in)

**xviii. Registrar & Share Transfer Agent**

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 Crossing, Akota.  
Vadodara - 390 020.  
E-mail :- [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)  
Tel. No.:- +91 265 2356573  
+91 265 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**

The Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2018 are with unmodified audit opinion.

**2) REPORTING OF INTERNAL AUDITOR**

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

Place : Vallabh Vidyanagar  
Date : 3<sup>rd</sup> May, 2018

For and on behalf of the Board of Directors,

**M. G. Rao**  
Whole-time Director

**P. C. Amin**  
Director

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**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 31<sup>st</sup> March, 2018.

Place : Vallabh Vidyanagar  
Date : 3<sup>rd</sup> May, 2018

**M. G. Rao**  
Whole-time Director



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE TO THE MEMBERS OF EIMCO ELECON (INDIA) LIMITED**

To  
The Members,  
**Eimco Elecon (India) Limited,**  
**Vallabh Vidyanagar – 388120.**

We have examined the compliance of the conditions of Corporate Governance by Eimco Elecon (India) Limited for the year ended on 31<sup>st</sup> March, 2018 as stipulated in Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, the Company has complied with the conditions of the Corporate Governance as stipulated in Chapter IV of the Regulations.

We state that in respect of investor grievance received during the year ended on 31<sup>st</sup> March, 2018, no investor grievance is pending against the Company as per records maintained by the Company and presented to the Stakeholders Relationship Committee of the Company.

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

**For THACKER BUTALA DESAI**  
Chartered Accountants

**Yatin N. Patel (Partner)**

M. No. : 122676

Firm Regn. No. 110864W

Place : Vallabh Vidyanagar

Date : May 03, 2018

**ANNEXURE – ‘E’ TO BOARD’S REPORT- ITEM NO. 20**

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Employees) as on 31<sup>st</sup> March, 2018.

**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 Gross                      Net (₹ in Lakhs)		Experi- ence (Yrs.)	Last Employment & Designation
1.	Shri D.M. Patel	65	BE (Mech)	1-09-2012	GTD (Production In-charge)	Permanent	116.82	77.89	40	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 Gross                      Net (₹ in Lakhs)		Experi- ence (Yrs.)	Last Employment
1.	Shri D.M. Patel	65	BE (Mech.)	1-09-2012	GTD (Production In-charge)	Permanent	116.82	77.89	40	Power Build Pvt. Ltd.
2.	Shri M.G. Rao	59	ME (Welding Engg.)	8-09-2011	WTD	Contractual	94.37	63.74	38	McNally Bharat
3.	Shri P. B. Patel	60	B.E. (Mech.), M.B.A., (USA)	9-11-2016	ED	Contractual	62.88	41.47	42	Elecon Engg. Co. Ltd. (on going)
4.	Shri Neeraj Bhatia	49	BE (Mech); MBA (Mkg.)	9.01.2012	GM, Construction	Permanent	29.59	20.94	27	Quippo Construction Equip. Ltd.
5.	Shri Manoj Gupta	50	BE (Mech)	10.02.2012	GM, Material Management	Permanent	29.08	18.28	26	IAC International Automotiv Components Pvt. Ltd.
6	Shri Nilesh Shelat	61	CS, ICWA	18.04.1995	CFO	Permanent	30.48	23.14	31	-
7.	Shri Mukul Dwivedi	51	BE (Mech.)	30.08.2016	VP Marketing	Permanent	28.63	17.84	30	Mcally Sayaji Engg. Ltd.
8.	Shri Siva P. Kowdodi	43	M.Tech (Mech), Ph.D.	12.05.2014	DGM, R&D	Permanent	26.70	19.65	19	Walchandnagar Industries Ltd.
9.	Shri Bhavin Bhatt	51	BE (Mech.)	12.03.1990	GM, R&D	Permanent	25.36	14.00	29	-
10.	Shri Hitendra Shukla	51	BE (Mech.)	7.04.1990	GM Marketing	Permanent	25.19	16.22	30	Mcally 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 above mentioned table, no employee held the equity share of the Company within the meaning of Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 except Shri P. B. Patel who held 17796 equity shares i.e. 0.31%.
5. Shri P. B. Patel, Executive Director of the Company is a relative of Shri P. M. Patel, Director of the Company. No other 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 2017-18 and ratio of the remuneration of each Director/KMP to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

**Details of Remuneration of KMPs:-**

Sr. No.	Name	Designation	Remuneration p.a. (₹ in Lakhs)	Increase in Remuneration in F.Y. 2017-18 over the F.Y. 2016-17 (₹ in Lakhs)	Ratio (Remuneration of KMP to Median Remuneration)
1.	Shri M. G. Rao	WTD	94.37	7.38	18.22
2.	Shri N. D. Shelat	CFO	30.48	2.03	5.88
3.	Smt. Bharti Isarani	CS	11.12	*	2.15

\* Smt. Bharti Isarani, Company Secretary was appointed w.e.f. 1<sup>st</sup> September, 2016. Hence, the increase in remuneration in F.Y. 2017-18 over the F.Y. 2016-17 is not comparable.

**Details of Remuneration of other Directors:-**

Sr. No.	Name of the Other Directors	Designation	Details of Remuneration	Remuneration p.a. for the year 2017-18	Remuneration p.a. for the year 2016-17	% Increase in Remuneration (in F.Y. 2017-18)	Ratio of Rem. of each Director to Median Rem. of Employee
1	Shri P. M. Patel	Non-Independent	Sitting Fees	2,32,500	2,60,500	(5.48)	0.72
		NED	Commission	2,50,000	2,50,000		
2	Shri P. C. Amin	Non-Independent	Sitting Fees	1,25,000	1,25,000	-	0.88
		NED	Commission	2,50,000	2,50,000		
3	Shri Nalin Shah	Independent	Sitting Fees	2,07,500	2,22,500	(3.17)	0.77
		NED	Commission	2,50,000	2,50,000		
4	Shri Nirmal Bhogilal	Independent	Sitting Fees	1,50,000	2,05,000	(12.09)	0.69
		NED	Commission	2,50,000	2,50,000		
5	Smt. Manjuladevi Shroff	Independent	Sitting Fees	1,05,000	75,000	9.23	0.94
			Commission	2,50,000	2,50,000		
6	Ms. Reena Bhagwati	Independent	Sitting Fees	50,000	75,000	-	5.80
		NED	Commission	2,50,000	-		
7	Shri P. B. Patel	Non-Independent	Remuneration	62,88,456	2,66,667	**	-
		ED	Commission	-	-		

\*\* Shri P. B. Patel, Executive Director was appointed w.e.f. 9<sup>th</sup> November, 2016. Hence, the change in his remuneration of F.Y. 2017-18 over the F.Y. 2016-17 is not comparable.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 5.18 lakhs.
- (iii) In the financial year, there was increase of 6.58 % in the median remuneration of employees. (No. of employees have been decreased from 167 to 152 as on 31<sup>st</sup> March, 2018).
- (iv) There were 152 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 1.47% whereas the increase in the managerial personnel remuneration for the same financial year was 3.26%. The increase in remuneration of the managerial personnel is mainly because of the payment made to Shri P. B. Patel as an Executive Director in F.Y. 2017-18 for whole year, while he was paid in F.Y. 2016-17 for the part of the year as he was appointed w.e.f. 9<sup>th</sup> November, 2016.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Companies.

Designations at the Company:-

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,

**M. G. Rao**  
 Whole-time Director

**P. C. Amin**  
 Director

Place : Vallabh Vidyanagar  
 Date : 3<sup>rd</sup> May, 2018

**ANNEXURE – ‘F’ TO BOARD’S REPORT - ITEM NO. 21**

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

**[A] Conservation of energy :**

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

1. All water coolers provided with control with timer.
2. Works office AC provided with control with timer.
3. VFD panel replaced in GL8, GL9 & GL 10 cranes.
4. Kept vigil/watch to ensure switching off electrical fittings in lunch time to avoid idle usage of AC, computer and light.
5. Separate 42 CFM Air Compressor installed in the workshop for Night shift when air consumption is low.
6. Manual AC plant on /off control in R & D office.
7. Wash rooms in all offices and the workshop provided with light control with mason sensor.
8. 11 KW hoist motor installed for Crane in the workshop.

**[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 to 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	- ₹ 312.26 Lakhs
Total R & D expenditure	- ₹ 312.26 Lakhs

Percentage of total turnover - 2.06 %

**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 ₹ 172.96 Lakhs and continues to make efforts to push up exports.
2. Foreign Exchange used & earned:

<u>Used</u>	<u>Earned</u>
₹ 1862.02 Lakhs	₹ 172.96 Lakhs

For and on behalf of the Board of Directors,

**M. G. Rao**  
Whole-time Director

**P. C. Amin**  
Director

Place : Vallabh Vidyanagar  
Date : 3<sup>rd</sup> May, 2018

## ANNEXURE - 'G' TO THE BOARD'S REPORT - ITEM NO. 24

## Form No. MR - 3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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 : 1<sup>st</sup> May, 2018

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.

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### **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. Wherever 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 : 1<sup>st</sup> May, 2018



**ANNEXURE - 'H' TO BOARD'S REPORT - ITEM NO. 25****EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31-03-2018

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

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

1.	CIN	L29199GJ1974PLC002574
2.	Registration Date	31 <sup>st</sup> 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.	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	94.91%

**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**

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year (As on 01-04-2017)				No. of shares held at the end of the year (As on 31-03-2018)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
	(a) Individuals / Hindu Undivided Family	17796	-	17796	0.3085	17796	-	17796	0.3085	-
	(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	(d) Person Acting in Concert	6275	-	6275	0.1088	6275	-	6275	0.1088	-
	(e) Bodies Corporate	2799849	-	2799849	48.5378	2799849	-	2799849	48.5378	-
	<b>Sub-Total (A)(1) :</b>	<b>2823920</b>	<b>-</b>	<b>2823920</b>	<b>48.9551</b>	<b>2823920</b>	<b>-</b>	<b>2823920</b>	<b>48.9551</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>									
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
	(b) Government	-	-	-	-	-	-	-	-	-
	(c) Institutions	-	-	-	-	-	-	-	-	-
	(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	(e) Bodies Corporate	1447875	-	1447875	25.1002	1447875	-	1447875	25.1002	-
	(f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2) :-</b>	<b>1447875</b>	<b>-</b>	<b>1447875</b>	<b>25.1002</b>	<b>1447875</b>	<b>-</b>	<b>1447875</b>	<b>25.1002</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4271795</b>	<b>-</b>	<b>4271795</b>	<b>74.0553</b>	<b>4271795</b>	<b>-</b>	<b>4271795</b>	<b>74.0553</b>	<b>-</b>
<b>B.</b>	<b>Public</b>									
<b>1.</b>	<b>Institutions</b>									
	(a) Mutual Funds/UTI	276428	-	276428	4.7921	276428	0	276428	4.7921	-
	(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
	(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	(e) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
	(f) Financial Institutions / Banks	105	100	205	0.0036	105	100	205	0.0036	-
	(g) Insurance Companies	-	-	-	-	-	-	-	-	-
	(h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
	(i) Any Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1) :</b>	<b>276533</b>	<b>100</b>	<b>276633</b>	<b>4.7957</b>	<b>276533</b>	<b>100</b>	<b>276633</b>	<b>4.7957</b>	<b>-</b>

**4. SHARE HOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

<b>2.</b>	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	-	-	-	-	22224	-	22224	0.3853	0.3853
	<b>Sub Total (B)(2)</b>	-	-	-	-	22224	-	22224	0.3853	0.3853
<b>3.</b>	<b>Non-Institutions</b>									
	<b>a) Individuals</b>									
	(i) Individual shareholders holding nominal share capital upto ₹1 Lakh	744236	116406	860642	14.9200	789587	92156	881743	15.2858	0.3658
	(ii) Individual share holders holding nominal share capital in excess of ₹1 Lakh	79901	-	79901	1.3852	75733	-	75733	1.3129	0.0723
	b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
	c) Employee Trusts	-	-	-	-	-	-	-	-	-
	d) Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
	e) Others									
	Hindu Undivided Family	68080	-	68080	1.1802	57642	-	57642	0.9993	0.1809
	Non Resident Indians (Non Repatriate)	5741	-	5741	0.0995	14541	-	14541	0.2521	0.1526
	Non Resident Indians (Repatriate)	13353	-	13353	0.2315	25319	-	25319	0.4389	0.2074
	Clearing Member	14243	-	14243	0.2469	17339	-	17339	0.3006	0.0537
	Eimco Elecon (India) Ltd-Unclaimed Suspense Account	1450	-	1450	0.0251	50	-	50	0.0009	0.0243
	Bodies Corporate	175497	1050	176547	3.0606	124466	900	125366	2.1733	0.8873
	<b>Sub-total (B)(3):</b>	<b>1102501</b>	<b>117456</b>	<b>1219957</b>	<b>21.1490</b>	<b>1104677</b>	<b>93056</b>	<b>1197733</b>	<b>20.7637</b>	<b>0.3853</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B) (2)+(B)(3)</b>	<b>1379034</b>	<b>117556</b>	<b>1496590</b>	<b>25.9447</b>	<b>1403434</b>	<b>93156</b>	<b>1496590</b>	<b>25.9447</b>	<b>-</b>
	<b>Total (A)+(B)</b>	<b>5650829</b>	<b>117556</b>	<b>5768385</b>	<b>100.0000</b>	<b>5675229</b>	<b>93156</b>	<b>5768385</b>	<b>100.0000</b>	<b>-</b>
<b>C.</b>	<b>Non Promoter - Non Public</b>									
	(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
	(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>5650829</b>	<b>117556</b>	<b>5768385</b>	<b>100.0000</b>	<b>5675229</b>	<b>93156</b>	<b>5768385</b>	<b>100.0000</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Elecon Engg. Co. Ltd.	958426	16.62	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 Invt. & Trusts Pvt. Ltd.	188205	3.26	-	188205	3.26	-	-
6	Devkishan Invt. 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	-	-
<b>Total</b>		<b>4271795</b>	<b>74.06</b>	<b>9.99</b>	<b>4271795</b>	<b>74.06</b>	<b>9.99</b>	<b>-</b>

**(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 01-04-2017)		Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4271795	74.0553	4271795	74.0553
	Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	No Change	No Change	No Change	No Change
	At the end of the year	4271795	74.0553	4271795	74.0553

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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	SHARAD KANIYALAL SHAH	25000	0.4334			25000	0.4334
	Transfer			02 Jun 2017	20077	45077	0.7814
	Transfer			28 Jul 2017	100	45177	0.7832
	Transfer			04 Aug 2017	12210	57387	0.9949
	Transfer			11 Aug 2017	2900	60287	1.0451
	Transfer			18 Aug 2017	2000	62287	1.0798
	Transfer			25 Aug 2017	500	62787	1.0885
	Transfer			13 Oct 2017	213	63000	1.0922
	Transfer			10 Nov 2017	1250	64250	1.1138
	At the end of the year					64250	1.1138
3	CD EQUIFINANCE PRIVATE LIMITED	25420	0.4407			25420	0.4407
	Transfer			02 Jun 2017	(100)	25320	0.4389
	Transfer			03 Nov 2017	(271)	25049	0.4342
	At the end of the year					25049	0.4342
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0.0000			22224	0.3853
	At the end of the year					22224	0.3853
5	APARNAA SAREES PRIVATE LIMITED	5112	0.0886			5112	0.0886
	Transfer			14 Apr 2017	(3489)	1623	0.0281
	Transfer			28 Apr 2017	2364	3987	0.0691
	Transfer			05 May 2017	8408	12395	0.2149
	Transfer			12 May 2017	(4399)	7996	0.1386
	Transfer			19 May 2017	(6232)	1764	0.0306
	Transfer			26 May 2017	(473)	1291	0.0224
	Transfer			02 Jun 2017	301	1592	0.0276
	Transfer			09 Jun 2017	647	2239	0.0388
	Transfer			16 Jun 2017	(1739)	500	0.0087
	Transfer			30 Jun 2017	3200	3700	0.0641
	Transfer			07 Jul 2017	500	4200	0.0728
	Transfer			14 Jul 2017	3284	7484	0.1297
	Transfer			28 Jul 2017	(1346)	6138	0.1064
	Transfer			04 Aug 2017	713	6851	0.1188
	Transfer			18 Aug 2017	640	7491	0.1299
	Transfer			25 Aug 2017	(434)	7057	0.1223
	Transfer			01 Sep 2017	1794	8851	0.1534
	Transfer			08 Sep 2017	355	9206	0.1596
	Transfer			15 Sep 2017	(312)	8894	0.1542



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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			29 Sep 2017	2585	11479	0.1990
	Transfer			06 Oct 2017	(1344)	10135	0.1757
	Transfer			13 Oct 2017	(5181)	4954	0.0859
	Transfer			27 Oct 2017	404	5358	0.0929
	Transfer			03 Nov 2017	1266	6624	0.1148
	Transfer			10 Nov 2017	6651	13275	0.2301
	Transfer			17 Nov 2017	(362)	12913	0.2239
	Transfer			24 Nov 2017	(825)	12088	0.2096
	Transfer			01 Dec 2017	811	12899	0.2236
	Transfer			08 Dec 2017	1577	14476	0.2510
	Transfer			15 Dec 2017	1247	15723	0.2726
	Transfer			05 Jan 2018	1360	17083	0.2961
	Transfer			12 Jan 2018	(1485)	15598	0.2704
	Transfer			19 Jan 2018	599	16197	0.2808
	Transfer			26 Jan 2018	3748	19945	0.3458
	At the end of the year					19945	0.3458
6	NITIN TANDON	15600	0.2704			15600	0.2704
	At the end of the year					15600	0.2704
7	ALKA AGRAWAL	0	0.0000			0	0.0000
	Transfer			31 Mar 2018	11483	11483	0.1991
	At the end of the year					11483	0.1991
8	LAUREL SECURITIES PVT. LTD.	17902	0.3103			17902	0.3103
	Transfer			07 Apr 2017	(714)	17188	0.2980
	Transfer			14 Apr 2017	(1900)	15288	0.2650
	Transfer			28 Apr 2017	(220)	15068	0.2612
	Transfer			12 May 2017	3088	18156	0.3148
	Transfer			19 May 2017	(5588)	12568	0.2179
	Transfer			26 May 2017	(68)	12500	0.2167
	Transfer			09 Jun 2017	(243)	12257	0.2125
	Transfer			16 Jun 2017	179	12436	0.2156
	Transfer			04 Aug 2017	126	12562	0.2178
	Transfer			18 Aug 2017	(176)	12386	0.2147
	Transfer			25 Aug 2017	(324)	12062	0.2091
	Transfer			27 Oct 2017	42	12104	0.2098
	Transfer			10 Nov 2017	(108)	11996	0.2080
	Transfer			17 Nov 2017	(150)	11846	0.2054
	Transfer			24 Nov 2017	(505)	11341	0.1966
	Transfer			29 Dec 2017	(58)	11283	0.1956
	Transfer			12 Jan 2018	(509)	10774	0.1868
	Transfer			19 Jan 2018	(27)	10747	0.1863
	Transfer			09 Feb 2018	1000	11747	0.2036
	Transfer			16 Feb 2018	(1000)	10747	0.1863
	At the end of the year					10747	0.1863

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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
9	BALVANT D MEHTALIA .	9150	0.1586			9150	0.1586
	At the end of the year					9150	0.1586
10	INDIANIVESH SECURITIES LIMITED	4240	0.0735			4240	0.0735
	Transfer			14 Apr 2017	(540)	3700	0.0641
	Transfer			21 Apr 2017	455	4155	0.0720
	Transfer			28 Apr 2017	(5)	4150	0.0719
	Transfer			19 May 2017	913	5063	0.0878
	Transfer			26 May 2017	(912)	4151	0.0720
	Transfer			02 Jun 2017	(79)	4072	0.0706
	Transfer			09 Jun 2017	250	4322	0.0749
	Transfer			16 Jun 2017	(100)	4222	0.0732
	Transfer			23 Jun 2017	1	4223	0.0732
	Transfer			30 Jun 2017	(150)	4073	0.0706
	Transfer			07 Jul 2017	100	4173	0.0723
	Transfer			21 Jul 2017	155	4328	0.0750
	Transfer			28 Jul 2017	10	4338	0.0752
	Transfer			04 Aug 2017	90	4428	0.0768
	Transfer			11 Aug 2017	(40)	4388	0.0761
	Transfer			18 Aug 2017	(15)	4373	0.0758
	Transfer			25 Aug 2017	30	4403	0.0763
	Transfer			01 Sep 2017	(30)	4373	0.0758
	Transfer			15 Sep 2017	(150)	4223	0.0732
	Transfer			22 Sep 2017	(1)	4222	0.0732
	Transfer			06 Oct 2017	(100)	4122	0.0715
	Transfer			13 Oct 2017	15	4137	0.0717
	Transfer			03 Nov 2017	4953	9090	0.1576
	Transfer			24 Nov 2017	25	9115	0.1580
	Transfer			01 Dec 2017	17	9132	0.1583
	Transfer			08 Dec 2017	20	9152	0.1587
	Transfer			15 Dec 2017	(213)	8939	0.1550
	Transfer			22 Dec 2017	(387)	8552	0.1483
	Transfer			29 Dec 2017	(200)	8352	0.1448
	Transfer			05 Jan 2018	(620)	7732	0.1340
	Transfer			19 Jan 2018	15	7747	0.1343
	Transfer			09 Feb 2018	(425)	7322	0.1269
	Transfer			16 Feb 2018	(25)	7297	0.1265
	Transfer			23 Feb 2018	35	7332	0.1271
	Transfer			02 Mar 2018	(20)	7312	0.1268
	Transfer			31 Mar 2018	(62)	7250	0.1257
	At the end of the year					7250	0.1257
11	B. R. NAHAR AND SONS HUF .	21090	0.3656			21090	0.3656
	Transfer			21 Apr 2017	(2985)	18105	0.3139
	Transfer			28 Apr 2017	(250)	17855	0.3095
	Transfer			05 May 2017	(103)	17752	0.3077
	Transfer			12 May 2017	(4159)	13593	0.2356





Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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			09 Jun 2017	(15)	13578	0.2354
	Transfer			16 Jun 2017	(2500)	11078	0.1920
	Transfer			15 Sep 2017	(1000)	10078	0.1747
	Transfer			03 Nov 2017	(4816)	5262	0.0912
	Transfer			10 Nov 2017	(3000)	2262	0.0392
	At the end of the year					2262	0.0392
12	EDELWEISS BROKING LTD.	14709	0.2550			14709	0.2550
	Transfer			07 Apr 2017	(265)	14444	0.2504
	Transfer			14 Apr 2017	(70)	14374	0.2492
	Transfer			21 Apr 2017	(7462)	6912	0.1198
	Transfer			28 Apr 2017	(5804)	1108	0.0192
	Transfer			05 May 2017	(907)	201	0.0035
	Transfer			12 May 2017	24585	24786	0.4297
	Transfer			19 May 2017	(24444)	342	0.0059
	Transfer			26 May 2017	1210	1552	0.0269
	Transfer			02 Jun 2017	(536)	1016	0.0176
	Transfer			09 Jun 2017	281	1297	0.0225
	Transfer			16 Jun 2017	(47)	1250	0.0217
	Transfer			23 Jun 2017	3083	4333	0.0751
	Transfer			30 Jun 2017	(3324)	1009	0.0175
	Transfer			07 Jul 2017	231	1240	0.0215
	Transfer			14 Jul 2017	(243)	997	0.0173
	Transfer			21 Jul 2017	(136)	861	0.0149
	Transfer			28 Jul 2017	5	866	0.0150
	Transfer			11 Aug 2017	(10)	856	0.0148
	Transfer			25 Aug 2017	(331)	525	0.0091
	Transfer			15 Sep 2017	7259	7784	0.1349
	Transfer			22 Sep 2017	(2258)	5526	0.0958
	Transfer			29 Sep 2017	(8)	5518	0.0957
	Transfer			06 Oct 2017	14	5532	0.0959
	Transfer			13 Oct 2017	12	5544	0.0961
	Transfer			20 Oct 2017	60	5604	0.0972
	Transfer			27 Oct 2017	30	5634	0.0977
	Transfer			03 Nov 2017	496	6130	0.1063
	Transfer			10 Nov 2017	(1999)	4131	0.0716
	Transfer			17 Nov 2017	375	4506	0.0781
	Transfer			24 Nov 2017	(161)	4345	0.0753
	Transfer			01 Dec 2017	(2950)	1395	0.0242
	Transfer			08 Dec 2017	(333)	1062	0.0184
	Transfer			15 Dec 2017	103	1165	0.0202
	Transfer			22 Dec 2017	22	1187	0.0206
	Transfer			29 Dec 2017	120	1307	0.0227
	Transfer			05 Jan 2018	340	1647	0.0286
	Transfer			12 Jan 2018	1978	3625	0.0628

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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			19 Jan 2018	(1664)	1961	0.0340
	Transfer			26 Jan 2018	692	2653	0.0460
	Transfer			02 Feb 2018	(3)	2650	0.0459
	Transfer			09 Feb 2018	(1433)	1217	0.0211
	Transfer			16 Feb 2018	111	1328	0.0230
	Transfer			23 Feb 2018	(77)	1251	0.0217
	Transfer			02 Mar 2018	50	1301	0.0226
	Transfer			09 Mar 2018	94	1395	0.0242
	Transfer			16 Mar 2018	27	1422	0.0247
	Transfer			23 Mar 2018	7	1429	0.0248
	Transfer			31 Mar 2018	33	1462	0.0253
	At the end of the year					1462	0.0253
13	ABHAY SHYAMSUNDER CHANDAK	30000	0.5201			30000	0.5201
	Transfer			28 Apr 2017	(3890)	26110	0.4526
	Transfer			05 May 2017	(1477)	24633	0.4270
	Transfer			12 May 2017	(24633)	0	0.0000
	At the end of the year					0	0.0000
14	HITESH SATISHCHANDRA DOSHI	24901	0.4317			24901	0.4317
	Transfer			12 May 2017	(4900)	20001	0.3467
	Transfer			23 Jun 2017	(46)	19955	0.3459
	Transfer			30 Jun 2017	(10670)	9285	0.1610
	Transfer			07 Jul 2017	(4867)	4418	0.0766
	Transfer			14 Jul 2017	(1418)	3000	0.0520
	Transfer			21 Jul 2017	(3000)	0	0.0000
	At the end of the year					0	0.0000
15	G R N CONSTRUCTIONS PRIVATE LIMITED	10000	0.1734			10000	0.1734
	Transfer			16 Jun 2017	(505)	9495	0.1646
	Transfer			23 Jun 2017	(3503)	5992	0.1039
	Transfer			30 Jun 2017	(2689)	3303	0.0573
	Transfer			07 Jul 2017	(3303)	0	0.0000
	At the end of the year					0	0.0000

**(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 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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 P. B. Patel (Executive Director) At the beginning of the year	17796	0.31	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	17796	0.31
3.	Shri Pradip M Patel (Director) Shri Nalin Shah (Director) Shri Nirmal Bhogilal (Director) Smt. Manjuladevi Shroff (Director) Ms. Reena Bhagwati (Director) Shri M. G. Rao (Wholetime 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 beginning of the year	-	-	-	-
4.	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
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in Indebtedness during the financial year				
• Addition	79.36	Nil	Nil	79.36
• Reduction	17.58	Nil	Nil	17.58
<b>Net Change</b>	<b>61.78</b>	<b>Nil</b>	<b>Nil</b>	<b>61.78</b>
Indebtedness at the end of the financial year				
i) Principal Amount	61.78	Nil	Nil	61.78
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>61.78</b>	<b>Nil</b>	<b>Nil</b>	<b>61.78</b>

**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	80,00,000	60,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9,33,083	
	(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		
	<b>Total</b>	<b>89,33,083</b>	<b>60,00,000</b>
	<b>Total Remuneration to Executive Directors (A)</b>	<b>1,49,33,083</b>	
	<b>Ceiling as per the Act (@ 10% of Net Profit calculated under Section 198 of the Companies Act, 2013)</b>	<b>1,68,82,071</b>	

**B. Remuneration to Other Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	<b>Independent Directors</b>	<b>Shri Nalin Shah</b>	<b>Shri Nirmal Bhogilal</b>	<b>Smt. Manjuladevi Shroff</b>	<b>Ms. Reena Bhagwati</b>	
	- Fee for attending board/ committee meetings (I)	2,07,500	1,50,000	1,05,000	50,000	5,12,500
	- Commission	2,50,000	2,50,000	2,50,000	2,50,000	10,00,000
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>4,57,500</b>	<b>4,00,000</b>	<b>3,55,000</b>	<b>3,00,000</b>	<b>15,12,500</b>
2.	<b>Other Non-Executive Directors</b>	<b>Shri P. M. Patel</b>	<b>Shri P. C. Amin</b>			
	- Fee for attending board/ committee meetings (II)	2,32,500	1,25,000			3,57,500
	- Commission	2,50,000	2,50,000			5,00,000
	- Others, please specify	Nil	Nil			Nil
	<b>Total (2)</b>	<b>4,82,500</b>	<b>3,75,000</b>			<b>8,57,500</b>
	<b>Total B= (1+2-I-II)</b>					<b>15,00,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>1,64,33,083</b>
	<b>Ceiling as per the Act (@ 11% of Net Profit calculated under Section 198 of the Companies Act, 2013)</b>	<b>1,85,70,278</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	28,59,524	9,89,424
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,88,400	68,400
	(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	54,272
	<b>Total</b>	<b>30,47,924</b>	<b>11,12,096</b>

**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)
<b>A. COMPANY</b> Penalty Punishment Compounding			None None None		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			None None None		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			None None None		



## **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 **31<sup>st</sup> March, 2018**; 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 auditors' 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018;
- (ii) in the case of the Statement of Profit and Loss (comprising of Other Comprehensive Income), of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- (iv) the changes in equity for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' 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 Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the 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 has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company.

For **Thacker Butala Desai**  
Chartered Accountants  
(Firm Reg. No. 110864W)

**Yatin N. Patel**

Partner

Mem. No. 122676

Place : Vallabh Vidyanagar

Date : May 3, 2018



## ‘ANNEXURE – A’ TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS financial statements of the **Eimco Elecon (India) Limited** for the year ended **31<sup>st</sup> March, 2018**:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and investment properties.
- (b) Majority of the assets have been physically verified by the management in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and its assets.
- (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, except in respect of one immovable property, which the Company is in process of registering the title deed in its name (carrying value: INR 755.29 Lakhs included in Land and INR 244.71 Lakhs included in Buildings).
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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) According to information and explanations given to us, the Company has complied with the provisions of Sections 185 & 186 of Companies Act, 2013 in respect of loans, investments and guarantees.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance

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

- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) In respect of Statutory dues:
  - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Goods & Service 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 **31<sup>st</sup> March, 2018** for a period of more than six months from the date they became payable.
  - (b) The disputed statutory dues aggregating to ₹1,402.43 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.	Central Excise Act, 1944	Excise Duty & Service Tax	1,292.10	Various years from 2006-07 to 2013-14	Appellate Authority
2.	VAT	VAT	110.33	Various years from 2008-09 to 2013-14	Appellate Authority

- (viii) In our opinion, and to the best of our information and according to the explanations provided by the management, the Company has not defaulted in repayment of loans and borrowings to the banks and financial institutions. The Company has not issued any debentures during the year under audit.

- (ix) In our opinion, and to the best of our information and according to the explanations provided by the management, the Company has not raised any monies by way of Initial Public Offer or Further Public Offer during the year. In our opinion, and to the best of our information and according to the explanations provided by the management, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (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, 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 fully or partly 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 them. 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 **Thacker Butala Desai**  
Chartered Accountants  
(Firm Reg. No. 110864W)

**Yatin N. Patel**

Partner

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Mem. No. 122676



## **‘ANNEXURE - B’ TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF EIMCO ELECON (INDIA) LIMITED**

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

We have audited the internal financial controls over financial reporting of **Eimco Elecon (India) Limited** (“the Company”) as of **31<sup>st</sup> March, 2018** 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.

**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 **31<sup>st</sup> March, 2018**, 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 **Thacker Butala Desai**  
Chartered Accountants  
(Firm Reg. No. 110864W)

**Yatin N. Patel**

Place : Vallabh Vidyanagar

Partner

Date : May 3, 2018

Mem. No. 122676

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

	Note No.	31-March-2018	31-March-2017
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	3	7,250.24	6,358.30
(b) Capital work-in-progress		73.33	-
(c) Investment property	4	368.74	390.12
(d) Intangible assets	5	39.40	6.68
(e) Financial assets			
(i) Investments	6	7,961.42	7,362.62
(ii) Other financial assets	6	330.76	291.39
(f) Non-current tax assets (net)	9	162.41	167.94
(g) Other non-current assets	7	12.00	-
<b>Total Non-current Assets</b>		<b>16,198.30</b>	<b>14,577.05</b>
<b>II. Current assets</b>			
(a) Inventories	8	3,925.12	3,418.70
(b) Financial assets			
(i) Investments	6	6,288.79	6,960.18
(ii) Trade receivables	6	6,012.87	4,889.66
(iii) Cash and cash equivalents	6	401.65	227.80
(iv) Bank Balances other than (iii) above	6	16.36	14.99
(v) Others financial assets	6	10.70	10.70
(c) Current tax assets (net)		88.01	-
(d) Other current assets	7	557.89	975.29
<b>Total Current Assets</b>		<b>17,301.39</b>	<b>16,497.32</b>
<b>Total Assets</b>		<b>33,499.69</b>	<b>31,074.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	576.84	576.84
(b) Other equity	11	28,583.27	27,269.48
<b>Total Equity</b>		<b>29,160.11</b>	<b>27,846.32</b>

STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018 (Conti.)

(₹ in Lakh)

	Note No.	31-March-2018	31-March-2017
<b>LIABILITIES</b>			
<b>(I) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	61.78	-
(b) Long-term provisions	13	85.70	86.73
(c) Deferred tax liabilities (net)	24	854.26	912.35
<b>Total Non-Current Liabilities</b>		<b>1,001.74</b>	<b>999.08</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	12	2,441.91	1,384.49
(ii) Other financial liabilities	12	73.15	296.93
(b) Other current liabilities	14	649.21	302.74
(c) Short-term provisions	13	173.57	200.09
(d) Current tax liabilities (net)		-	44.72
<b>Total Current Liabilities</b>		<b>3,337.84</b>	<b>2,228.97</b>
<b>Total Equity and Liabilities</b>		<b>33,499.69</b>	<b>31,074.37</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors,

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

			(₹ in Lakh)
	Note No.	31-March-2018	31-March-2017
<b>INCOME</b>			
<b>Revenue from operations</b>			
Sale of Products	15	14,161.26	18,480.81
Sale of Services	15	13.50	4.68
Other Operating Income	15	41.79	55.03
<b>Total revenue from operations</b>		<b>14,216.55</b>	<b>18,540.52</b>
Other income	16	960.38	1,348.47
<b>Total income (I)</b>		<b>15,176.93</b>	<b>19,888.99</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	5,589.64	5,579.82
Purchase of traded goods	18	2,142.77	2,740.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(531.33)	682.29
Excise Duty Expenses		208.53	1,421.16
Manufacturing expense	20	218.55	237.15
Employee benefits expenses	21	1,536.54	1,493.49
Finance costs	22	53.99	38.26
Depreciation and amortisation expense		499.13	517.70
Other expenses	23	3,515.47	4,198.99
<b>Total Expenses (II)</b>		<b>13,233.29</b>	<b>16,909.80</b>
<b>Profit before tax (III) = (I-II)</b>		<b>1,943.64</b>	<b>2,979.19</b>
<b>Tax Expense</b>			
Current tax	24	375.16	637.00
Adjustment of tax relating to earlier periods	24	(9.13)	8.62
Deferred tax	24	(66.83)	(175.53)
<b>Total tax expense (IV)</b>		<b>299.20</b>	<b>470.09</b>
<b>Profit for the year (V) = (III-IV)</b>		<b>1,644.44</b>	<b>2,509.10</b>

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in Lakh)

Note No.	31-March-2018	31-March-2017
<b>Other Comprehensive Income</b>		
<b>Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:</b>		
Re-measurement gains / (losses) on defined benefit plans	25.22	(21.96)
Income tax effect of above	(8.73)	7.60
	<b>16.49</b>	<b>(14.36)</b>
<b>Other comprehensive income to be reclassified to Profit or Loss in subsequent periods</b>		
	-	-
<b>Total other comprehensive income for the year, net of tax (VI)</b>	<b>16.49</b>	<b>(14.36)</b>
<b>Total comprehensive income for the year, net of tax attributable to equity share holders VII = (V - VI)</b>	<b>1,660.93</b>	<b>2,494.74</b>
<b>Earning per equity share [nominal value per share ₹ 10/- (31-March-2017: ₹10/-)]</b>		
Basic	28.51	43.50
Diluted	28.51	43.50

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

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

<b>Particulars</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	<b>1,943.64</b>	<b>2,979.19</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
1) Depreciation and Amortisation	499.13	517.70
2) Finance Cost	3.81	0.09
3) Gain on sale / fair valuation of Investment	(459.91)	(609.07)
4) Gain on Sale of Fixed Assets (Net)	(60.47)	10.05
5) Interest Income	(44.06)	(76.19)
6) Dividend Income	(304.68)	(323.57)
7) Remeasurement of Employee benefit expense	25.22	(21.96)
<b>Operating Profit before working capital changes</b>	<b>1,602.68</b>	<b>2,476.24</b>
Working Capital Adjustments		
1) Trade and other receivables	(1,123.21)	290.01
2) Inventories	(506.42)	352.51
3) Other financial assets	(39.37)	(33.44)
4) Other current and non-current assets	405.40	(104.31)
5) Trade payables	1,057.42	(903.68)
6) Other payables	318.92	33.01
7) Other financial liabilities	(225.15)	260.39
<b>Cash Generated from Operations</b>	<b>1,490.27</b>	<b>2,370.73</b>
<b>Less :</b>		
1) Direct taxes paid	493.22	471.44
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>997.05</b>	<b>1,899.29</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Add :		
1) Sale of fixed assets	154.09	19.14
2) Interest received	44.06	76.19
3) Dividend received	304.68	323.57
4) Sale of investments (net)	532.50	-
Less :		
1) Purchase of investments (net)	-	(1,505.28)
2) Purchase of fixed assets	(1,569.36)	(375.92)
3) Unpaid Dividend Account	(1.37)	(1.08)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(535.40)</b>	<b>(1,463.38)</b>

**CASH FLOW STATEMENT (Contd...)**

(₹ in Lakh)

Particulars	31-March-2018	31-March-2017
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
1) Interest paid	(3.81)	(0.09)
2) Dividend Paid	(287.05)	(287.33)
3) Tax on Dividend	(58.72)	(58.72)
4) Proceeds from Non-current Borrowings	61.78	-
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(287.80)</b>	<b>(346.14)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>173.85</b>	<b>89.76</b>
<b>Opening Cash and Cash equivalents</b>	<b>227.80</b>	<b>138.03</b>
<b>Closing Cash and Cash equivalents (Refer Note 6(d))</b>	<b>401.65</b>	<b>227.80</b>
<b>Components of Cash &amp; Cash Equivalents :-</b>		
Cash on hand	0.05	0.05
<b>Balances with banks</b>		
In Current Accounts	401.60	227.75
	<b>401.65</b>	<b>227.80</b>

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Attributable to the Equity Holders					(₹ in Lakh)
	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 10	Note 11	Note 11	Note 11	Note 11	
<b>Balance as at 1-April- 2016</b>	<b>576.84</b>	<b>2.91</b>	<b>20,043.45</b>	<b>753.83</b>	<b>4,321.69</b>	<b>25,698.72</b>
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	-	-	1,500.00	-	(1,500.00)	-
<b>Balance as at 31-March-2017</b>	<b>576.84</b>	<b>2.91</b>	<b>21,543.45</b>	<b>753.83</b>	<b>4,969.29</b>	<b>27,846.32</b>
Profit for the year	-	-	-	-	1,644.44	1,644.44
Other comprehensive income for the year	-	-	-	-	16.49	16.49
Total Comprehensive income for the year	-	-	-	-	1,660.93	1,660.93
<b>Dividend</b>	-	-	-	-	(288.42)	(288.42)
Dividend distribution tax	-	-	-	-	(58.72)	(58.72)
Transfer from Retained earnings	-	-	900.00	-	(900.00)	-
<b>Balance as at 31-March-2018</b>	<b>576.84</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>5,383.08</b>	<b>29,160.11</b>

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

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**1. CORPORATE INFORMATION**

Eimco Elecon (India) Limited is a public company domiciled in India and is 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 3<sup>rd</sup> May, 2018.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS OF PREPARATION**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost basis except for the following items:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit (asset) / liability - measured at fair value of plan assets less present value of defined benefit obligations.

The standalone 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.

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.



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

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.

- Significant accounting judgments, estimates and assumptions (note no. 2.3)
- Quantitative disclosures of fair value measurement hierarchy (note no. 26)
- Investment properties (note no. 2.2(g) and note no. 4)

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

- Financial instruments (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, and Goods and Service 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 co-relation 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 assets 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





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

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.

### 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.

### 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

### i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes

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

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 transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the 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 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.



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

### 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 an 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 plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises 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 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.

## NOTES TO STANDALONE 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 Associates and Tax Free Bonds, are recognised initially at fair value, through profit & loss account. In the case of financial assets not recorded at fair value through profit or loss, are recognised at 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.

**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



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

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.

### **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 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.

### **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.

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

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 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 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.

**r. Dividend Distribution**

The Company 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 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 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.

**2.3 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.





## **NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**

### **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 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 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 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.

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

### 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.

### 2.4 Ind AS 115 Revenue from Contract with Customers:

On 28<sup>th</sup> March 2018, Ministry of Corporate Affairs has notified the Ind As115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or service to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or service. Further the new standard requires enhanced disclosures about the nature, amount timing and certainty of revenue and cash flow arising from the entity's contract with customers.

The standard permits two possible method of transition

1. Retrospective: Under this approach the standard will be applied retrospectively to each prior reporting period represented in accordance with Ind AS 8 –Accounting Policy, Changes in Accounting Estimates and Errors.
2. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch up approach). The effective date for adoption of Ind AS 115 is financial period beginning on or after 1<sup>st</sup> April 2018.

The company will adopted the standard on 1<sup>st</sup> April, 2018 by using the cumulative catch-up transition method and accordingly comparative for the year ending on 31<sup>st</sup> March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant. Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.





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

## Note 3 : Property, Plant and Equipment

Particulars	Land Freehold	Land Leasehold	Buildings	Plant & Equip ment	Furniture & Fixture	Vehicles	Office Equip ment	Electrical Fittings	Jigs	Total	CWIP
(₹ in Lakh)											
<b>Cost</b>											
<b>As at 1-April-2016</b>	<b>2,294.30</b>	<b>878.73</b>	<b>1,562.53</b>	<b>3,090.85</b>	<b>259.57</b>	<b>264.05</b>	<b>777.77</b>	<b>114.48</b>	<b>174.32</b>	<b>9,416.60</b>	<b>16.23</b>
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
<b>As at 31-March-2017</b>	<b>2,294.30</b>	<b>878.73</b>	<b>1,635.40</b>	<b>2,918.23</b>	<b>266.43</b>	<b>186.05</b>	<b>1,011.67</b>	<b>126.51</b>	<b>174.32</b>	<b>9,491.64</b>	-
Additions	755.29	-	314.92	86.36	9.82	88.29	201.85	0.23	-	1,456.76	835.09
Deductions	-	-	-	146.42	-	-	0.26	-	-	146.68	761.76
<b>As at 31-March-2018</b>	<b>3,049.59</b>	<b>878.73</b>	<b>1,950.32</b>	<b>2,858.17</b>	<b>276.25</b>	<b>274.34</b>	<b>1,213.26</b>	<b>126.74</b>	<b>174.32</b>	<b>10,801.72</b>	<b>73.33</b>
<b>Depreciation and Impairment</b>											
<b>As at 1-April-2016</b>	-	-	<b>167.37</b>	<b>1,419.70</b>	<b>245.44</b>	<b>210.38</b>	<b>674.28</b>	<b>106.92</b>	<b>130.90</b>	<b>2,954.99</b>	
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	
<b>As at 31-March-2017</b>	-	-	<b>337.09</b>	<b>1,447.91</b>	<b>249.28</b>	<b>163.10</b>	<b>691.56</b>	<b>108.89</b>	<b>135.51</b>	<b>3,133.34</b>	
Depreciation for the year	-	-	167.55	177.42	5.19	25.74	91.29	1.99	2.02	471.20	
Deductions	-	-	-	52.80	-	-	0.26	-	-	53.06	
<b>As at 31-March-2018</b>	-	-	<b>504.64</b>	<b>1,572.53</b>	<b>254.47</b>	<b>188.84</b>	<b>782.59</b>	<b>110.88</b>	<b>137.53</b>	<b>3,551.48</b>	
<b>Net Block</b>											
<b>As at 31-March-2018</b>	<b>3,049.59</b>	<b>878.73</b>	<b>1,445.68</b>	<b>1,285.64</b>	<b>21.78</b>	<b>85.50</b>	<b>430.67</b>	<b>15.86</b>	<b>36.79</b>	<b>7,250.24</b>	
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	

Notes: Some of cars purchased during the F. Y. 2017-18 are hypothecated against borrowing from HDFC Bank Ltd.

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

## Note 4 : Investment Properties (Building)

Particulars	(₹ in Lakh)
<b>Gross Block</b>	
<b>As at 1-April-2016</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2017</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2018</b>	<b>524.12</b>
<b>Depreciation and Impairment</b>	
<b>As at 1-April-2016</b>	<b>111.31</b>
Depreciation for the year	22.69
Deductions	-
<b>As at 31-March-2017</b>	<b>134.00</b>
Depreciation for the year	21.38
Deductions	-
<b>As at 31-March-2018</b>	<b>155.38</b>
<b>Net Block</b>	
<b>As at 31-March-2018</b>	<b>368.74</b>
As at 31-March-2017	390.12

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

Particulars (For the year ended on)	31-March-2018	31-March-2017
Rental income derived from Investment Properties	42.30	44.75
Direct operating expenses (including repairs and maintenance) generating rental income	3.71	19.45
Direct operating expenses (including repairs and maintenance) that did not generate rental income	11.96	-
<b>Profit arising from investment properties before depreciation and Indirect Expenses</b>	<b>26.63</b>	<b>25.30</b>
<b>Less : Depreciation</b>	<b>21.38</b>	<b>22.69</b>
<b>Profit arising from investment properties before Indirect Expenses</b>	<b>5.25</b>	<b>2.61</b>

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

As at 31-March-2018 and 31-March-2017 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)**

<b>Fair Value</b>	<b>(₹ in Lakh)</b>
<b>Balance as at 1-April-2016</b>	<b>816.00</b>
Fair value difference for the year	101.57
Purchases	-
<b>Balance as at 31-March-2017</b>	<b>917.57</b>
Fair value difference for the year	86.10
Purchases	-
<b>Balance as at 31-March-2018</b>	<b>1,003.67</b>

**Note 5 : Intangible Assets (Acquired)****(₹ in Lakh)**

<b>Particulars</b>	<b>Software License</b>	<b>Technical Knowhow</b>	<b>Total</b>
<b>Cost</b>			
<b>As at 1-April-2016</b>	<b>349.19</b>	<b>301.40</b>	<b>650.59</b>
Additions	-	-	-
Deductions	-	-	-
<b>As at 31-March-2017</b>	<b>349.19</b>	<b>301.40</b>	<b>650.59</b>
Additions	39.27	-	39.27
Deductions	-	-	-
<b>As at 31-March-2018</b>	<b>388.46</b>	<b>301.40</b>	<b>689.86</b>
<b>Amortisation and Impairment</b>			
<b>As at 1-April-2016</b>	<b>307.46</b>	<b>300.52</b>	<b>607.98</b>
Amortisation for The Year	35.05	0.88	35.93
Deductions	-	-	-
<b>As at 31-March-2017</b>	<b>342.51</b>	<b>301.40</b>	<b>643.91</b>
Amortisation for The Year	6.55	-	6.55
Deductions	-	-	-
<b>As at 31-March-2018</b>	<b>349.06</b>	<b>301.40</b>	<b>650.46</b>
<b>Net Block</b>			
<b>As at 31-March-2018</b>	<b>39.40</b>	<b>-</b>	<b>39.40</b>
As at 31-March-2017	6.68	-	6.68

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

## Note 6 : Financial Assets

(₹ in Lakh)

Particulars as at	31-March-2018			31-March-2017	
	Face Value	No of Share	Amount	No of Share	Amount
<b>6(a) Investments</b>					
<b>Non-current investments</b>					
<b>Investment in Equity Shares of Associate at Cost</b>					
Eimco Elecon Electricals Limited	10	510,000	51.00	510,000	51.00
<b>Investment at cost</b>			<b>51.00</b>		<b>51.00</b>

**Investment in Equity Shares of others at Fair Value through Profit or Loss Quoted**

Bank of Baroda	-	-	-	3,500	6.05
Bharti Airtel Limited	-	-	-	2,655	9.29
Colgate-Palmolive (I) Limited	-	-	-	1,000	9.96
GOL Offshore Limited	10	238	0.02	238	0.04
Grasim Industries Limited	-	-	-	5,000	52.45
Hindustan Unilever Limited	-	-	-	1,500	13.67
Infosys Limited	-	-	-	7,424	75.89
ITC Limited	-	-	-	4,500	12.61
Larsen & Toubro Limited	-	-	-	750	11.81
Mahindra & Mahindra Limited	-	-	-	8,800	113.25
Reliance Industries Limited	-	-	-	5,100	67.36
Reliance Infrastructure Limited	-	-	-	390	2.22
Siemens Limited	-	-	-	294	3.70
State Bank of India	-	-	-	35,000	102.69
Tata Chemicals Limited	-	-	-	10,000	59.88
Tata Steel Limited	-	-	-	11,325	54.67
Tata Power Limited	-	-	-	57,000	51.50
Ultratech Cement Limited	-	-	-	571	22.75
Aditya Birla Capital Limited	10	7,000	10.22	-	-
<b>Fair value of Quoted Equity Shares</b>			<b>10.24</b>		<b>669.79</b>

**Investment in equity shares of others at fair value through profit or loss**

**Unquoted**

Charotar Gas Sahakari Mandali	500	5	0.03	5	0.03
<b>Investment at Cost</b>			<b>0.03</b>		<b>0.03</b>

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

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No of Units	Amount	No of Units	Amount
<b>Investment in Mutual funds at fair value through profit or loss</b>				
Investment in Mutual funds (Unquoted):				
Reliance Money Manager Fund	31,056.39	757.37	31,056.39	707.00
HDFC High Interest Fund Short Term		-	398,687.33	133.06
Tata Short Term Bond Fund - Growth	2,828,251.04	924.93	3,476,938.00	1077.67
Tata Income Fund - Appreciation	-	-	115,675.84	58.23
SBI SHDF STP - Growth	-	-	1,083,150.20	204.72
Tata Income Fund Appreciation	-	-	221,449.10	34.10
SBI Magnum Income Fund - Growth	-	-	509,589.50	205.71
ICICI Dynamic Bond Fund Growth	-	-	1,048,498.57	202.24
Reliance Dynamic Bond Fund	-	-	619,797.57	142.54
BSL Short Term Opp Fund Growth	249,432.26	74.13	249,432.26	69.34
SBI Debt Fund Series A 3 420 Days - Growth	-	-	574,812.30	74.62
SBI Debt Fund Series A 14 380 Days - Growth	515,507.35	70.27	515,507.30	66.06
Reliance STF Direct Growth Plan	4,640,137.97	1,563.03	4,640,137.97	1466.32
ICICI Prudential MF FMP	1,000,000.00	110.76	1,000,000.00	102.80
Reliance Fixed Horizon XXXII Series 1 Growth	3,000,000.00	337.03	3,000,000.00	308.87
ICICI Prudential FMP Series 80 (Pledge)*	3,000,000.00	328.85	3,000,000.00	301.92
SBI Corporate Bond Fund Reg Plan -Growth	1,933,358.28	540.02	383,228.55	100.44
Reliance Fixed Horizon Fund XXXIII Series 2 Growth	3,000,000.00	329.75	3,000,000.00	301.37
Reliance Fixed Horizon Fund XXXIII Series 5 Growth	5,000,000.00	547.19	5,000,000.00	500.00
Reliance Corporate Bond Fund -	1,511,910.07	211.87	-	-
Invesco India Dynamic Equity Fund	1,095,290.25	305.26	-	-
Reliance Corporate Bond Fund - Growth	1,419,255.03	205.50	-	-
DHFL Pramerica Credit Opp. Gwth-Regular	2,253,474.54	310.12	-	-
ABSL Fixed Term Plan-Series PF (1148 days)	3,421,196.00	345.63	-	-
HDFC Short Term Opportunity Fund -Regular Plan-Growth	737,535.12	141.42	-	-
CICI FMP 82-1157 Direct Growth	2,098,674.00	212.23	-	-
<b>Fair Value of Non Current Investment in Mutual Fund</b>		<b>7,315.36</b>		<b>6,057.01</b>

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

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No of Units	Amount	No of Units	Amount
<b>Investment at amortised cost</b>				
Investment in Bond Non Trade (Quoted) :				
8.20% Power Finance Corporation Limited	28,479.00	284.79	28,479.00	284.79
6.88% Power Finance Corporation Limited	30,000.00	300.00	30,000.00	300.00
<b>Investment at cost</b>		<b>584.79</b>		<b>584.79</b>
<b>Total Non-current Investments</b>		<b>7,961.42</b>		<b>7,362.62</b>
Aggregate value of quoted investments and its market value thereof		629.63		1,294.76
Aggregate value of unquoted investments		7,366.39		6,108.04
<b>Current Investments</b>				
<b>Investment in Mutual funds at fair Value through Profit or Loss Account</b>				
HDFC Cash Management Fund	84,648.59	900.34	166,452.62	1770.46
Reliance Medium Term Fund	7,358,034.44	1,258.65	9,037,536.00	1545.04
BSL Saving Fund	-	-	150,083.54	150.74
BSL Dynamic Bond Fund	-	-	3,101,965.53	344.66
Reliance Liquid Fund - Treasury plan	-	-	3,399.75	51.97
Reliance Short Term Fund- Dividend	6,728,155.61	752.07	6,500,032.83	721.96
BSL Short Term Fund	2,391,260.08	277.39	2,265,030.74	266.82
Axis Liquid Fund	-	-	5,067.61	50.71
BSL Cash Plus	805,647.53	807.26	771,024.36	772.53
Tata Short Term Bond Fund Dividend	1,059,673.76	166.88	1,059,673.76	161.81
ICICI Short Term Fund - Dividend	3,287,515.75	405.23	3,168,638.78	388.83
BSL-Short Term Fund Monthly dividend regular plan	6,589,992.36	763.23	6,242,121.21	734.65
BNP PARIBAS Enhanced Arbitrage	998,103.60	100.42	-	-
Axis Corporate Debt Fund-Dividend	528,962.32	53.32	-	-
HDFC Arbitrage Fund-Wp-Monthly dividend fund	4,760,997.91	501.05	-	-
UTI Liquid Fund-Short Term Plan-CM	1,434,288.09	302.95	-	-
<b>Fair value of Current Investment in Mutual Fund</b>		<b>6,288.79</b>		<b>6,960.18</b>

**Note:** The company has provided the security to Axis finance Ltd. by lien on investment made in ICICI Pudential FMP Series 80 of ₹ 3.00 crore for obtaining loan of ₹ 2.00 crore.

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

(₹ in Lakh)

Particulars as at	31-March-2018 Amount	31-March-2017 Amount
Total Current Investments		
Aggregate value of unquoted investments	6,288.79	6,960.18
Aggregate amount of impairment in value of investments	-	-
<b>Total Investments</b>	<b>14,250.21</b>	<b>14,322.80</b>

**6(b) Other Financial Assets**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, Considered good		
<b>Non-current</b>		
Security Deposits	330.76	291.39
	<b>330.76</b>	<b>291.39</b>
<b>Current</b>		
Receivable other than trade	10.70	10.70
	<b>10.70</b>	<b>10.70</b>
<b>Total Other financial assets</b>	<b>341.46</b>	<b>302.09</b>

**6(c) Trade Receivables**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, considered good	6,012.87	4,889.66
<b>Total Trade and Other Receivables</b>	<b>6,012.87</b>	<b>4,889.66</b>

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

## 6(d) Cash and Cash Equivalents

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Cash and Cash Equivalents</b>		
Balance with Bank		
Current accounts and debite balance in cash credit accounts	401.60	127.75
In Deposit Account (with original maturity upto 3 months)	-	100.00
Cash on hand	0.05	0.05
<b>Total Cash and Cash Equivalents</b>	<b>401.65</b>	<b>227.80</b>

## 6(e) Other Bank Balance

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Other bank balances</b>		
Unpaid dividend accounts	16.36	14.99
<b>Total</b>	<b>16.36</b>	<b>14.99</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****6(f) Financial Assets By Category**

(₹ in Lakh)

Particulars as at	31-March-2018		
	Cost	FVTPL	Amortised cost
<b>31-March-2018</b>			
<b>Financial Assets by Category</b>			
Investments			
- Equity Share in Associate at cost	51.00	-	-
- Equity Share in Others at FVTPL	-	10.24	-
- Equity Share in Others non trade - Unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	7,315.36	-
- Investment in mutual fund - Current	-	6288.79	-
Trade receivables (Note 6)	-	-	6,012.87
Cash and cash equivalents (Note 6)	-	-	401.65
Other bank balance	-	-	16.36
Other financial assets	-	-	341.46
<b>Total Financial Assets</b>	<b>51.00</b>	<b>13,614.42</b>	<b>7,357.13</b>
<b>31-March-2017</b>			
<b>Financial Assets by Category</b>			
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	-	-	4,889.66
Cash and cash equivalents	-	-	227.80
Other bank balance	-	-	14.99
Other financial assets	-	-	302.09
<b>Total Financial Assets</b>	<b>51.00</b>	<b>13,687.01</b>	<b>6,019.33</b>

For financial instruments risk management objectives and policies, refer Note 27

For Fair value disclosures for financial assets and liabilities refer Note 25 and for fair value hierarchy disclosures for investment refer Note 26.

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

**Note 7 : Other Non-Current / Current Assets** (₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, Considered Good		
<b>Non-Current</b>		
Capital advances	12.00	-
	12.00	-
<b>Current</b>		
Advance to suppliers	104.43	421.55
Balance with Collector of Custom, Port Trust, Excise, GST, etc.	105.76	175.88
Claims Receivable from Government. Authorities	307.94	339.63
Other Advances	39.76	38.23
	557.89	975.29
<b>Total</b>	<b>569.89</b>	<b>975.29</b>

**Note 8 : Inventories (At Lower of Cost and Net Realisable Value)** (₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Raw materials and components	2,530.17	2,555.08
Work-in-progress	775.43	633.32
Finished goods	159.90	225.84
Finished goods in transit	459.62	4.46
Stock-in-trade	-	-
<b>Total</b>	<b>3,925.12</b>	<b>3,418.70</b>

**Note 9 : Non-Current Tax Assets (Net)** (₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Non-Current</b>		
Tax Paid in Advance	1,658.70	3,611.94
Less:		
Provision for income tax	1,496.29	3,444.00
<b>Total</b>	<b>162.41</b>	<b>167.94</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 10 : Share Capital**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March- 2017
<b>Authorised Share Capital</b>		
10,000,000 Equity Shares of ₹10 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Issued 57,68,386 Equity shares of ₹10 each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10/- each	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹10/-	-	-
<b>Total</b>	<b>576.84</b>	<b>576.84</b>

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

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	57.68	576.84	57.68	576.84
Issued/Reduction, if any during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>57.68</b>	<b>576.84</b>	<b>57.68</b>	<b>576.84</b>

**10.2 : 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-2018		31-March-2017	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
<b>a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- Each fully paid up)</b>				
Elecon Engineering Company Limited	958,426	16.62	958,426	16.62
EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19
K. B. Investments Private Ltd.	487,015	8.44	487,015	8.44
Tamrock Great Britain Holdings Ltd.	1,447,875	25.10	1,447,875	25.10

## Note 11 : Other Equity

Particulars as at	31-March-2018	31-March-2017
<b>Note 11.1 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Balance as per last Balance sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	<b>2.91</b>	<b>2.91</b>
<b>Securities Premium Account</b>		
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	<b>753.83</b>	<b>753.83</b>
<b>General Reserve</b>		
Balance as per last Balance sheet	21,543.45	20,043.45
Add : Transfer from Profit & Loss account	900.00	1,500.00
	<b>22,443.45</b>	<b>21,543.45</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	4,969.29	4,321.69
Add: profit for the year	1,644.44	2,509.10
Add / (Less): OCI for the year	16.49	(14.36)
	<b>6,630.22</b>	<b>6,816.43</b>
<b>Less: Appropriations :</b>		
Dividend on equity shares	288.42	288.42
Dividend distribution tax on dividend	58.72	58.72
Transfer to General Reserve	900.00	1,500.00
<b>Balance carried forward</b>	<b>5,383.08</b>	<b>4,969.29</b>
<b>Total</b>	<b>28,583.27</b>	<b>27,269.48</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 11.2 Dividend distribution made and proposed**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Cash dividends on Equity shares declared and paid</b>		
Final dividend for year ended 31-March-2018: ₹ 5/- per share (31-March-2017: ₹ 5/- per share)	288.42	288.42
Dividend distribution tax on final dividend	58.72	58.72
	<b>347.14</b>	<b>347.14</b>
<b>Proposed dividends on Equity shares</b>		
Final dividend for year ended 31-March-2018: ₹ 5/- per share (31-March-2017 : ₹ 5/- per share)	288.42	288.42
Dividend distribution tax on final proposed dividend	59.29	58.72
	<b>347.71</b>	<b>347.14</b>

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-2018	31-March-2017
<b>Current</b>		
Trade payables	2,441.91	1,384.49
<b>Total</b>	<b>2,441.91</b>	<b>1,384.49</b>

**Note 12(b) : Other Financial Liabilities**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Non-current interest bearing borrowing</b>		
<b>Secured</b>		
<b>Term Loan</b>		
From bank (Secured by hypothecation of vehicles)	61.78	-
<b>Total non-current borrowings</b>	<b>61.78</b>	<b>-</b>
<b>Current</b>		
Current maturities of long-term borrowings		
Security Deposits	36.23	36.23
Unpaid dividend	16.36	14.99
Payable in respect of capital goods	20.56	245.71
<b>Total current borrowings</b>	<b>73.15</b>	<b>296.93</b>
<b>Total</b>	<b>134.93</b>	<b>296.93</b>

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

## 12(c) Financial Liabilities By Category

(₹ in Lakh)

Particulars	FVTPL	Amortised cost
<b>31-March-2018</b>		
Borrowings	-	61.78
Trade payable	-	2,441.91
Other financial liabilities	-	134.93
<b>Total Financial liabilities</b>	<b>-</b>	<b>2,638.62</b>
<b>31-March-2017</b>		
Borrowings	-	-
Trade payable	-	1,384.49
Other financial liabilities	-	296.93
<b>Total Financial liabilities</b>	<b>-</b>	<b>1,681.42</b>

## 12 (d) Borrowings

Lender	31-Mar-18	31-Mar-17	Interest Rate
HDFC Bank	61.78	-	11%

## Terms of Repayment

Repayable on monthly instalment of ₹ 3.56 Lakh starting from October 2017.

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

For fair value disclosures for financial assets and liabilities, refer Note 25 and fair value hierarchy disclosures for investments, refer Note 26.

## Note 13 : Provisions

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Long-Term</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	85.70	86.73
	<b>85.70</b>	<b>86.73</b>
<b>Short-Term</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	34.21	30.15
Provision for warranty	139.36	169.94
	<b>173.57</b>	<b>200.09</b>
<b>Total</b>	<b>259.27</b>	<b>286.82</b>

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

A provision of ₹ 139.36 Lakh (F. Y. 2016-17 ₹ 169.94 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.

Particulars as at	31-March-2018	31-March-2017
As on 01 <sup>st</sup> April	169.94	143.67
Addition during the year	139.36	169.94
Utilization during the year	67.35	74.46
Additional / Excess during the year	(102.59)	(69.21)
AS on 31 <sup>st</sup> March	<b>139.36</b>	<b>169.94</b>

**Note 14 : Other Current / Non-Current Liabilities**

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Current</b>		
Advance from Customers	146.29	36.00
Statutory & Other Liabilities	502.92	266.74
<b>Total</b>	<b>649.21</b>	<b>302.74</b>

**Note 15 : Revenue from Operations**

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Sale of Products</b>		
Domestic Sales	13,988.30	18,422.76
Export Sales	172.96	58.05
	<b>14,161.26</b>	<b>18,480.81</b>
<b>Sale of Services</b>		
Sale of services	13.50	4.68
	<b>13.50</b>	<b>4.68</b>
<b>Other operating revenue</b>		
Sale of Scrap	33.92	42.02
Windmill Electricity Income	7.87	13.01
	<b>41.79</b>	<b>55.03</b>
<b>Total</b>	<b>14,216.55</b>	<b>18,540.52</b>

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

## Note 16 : Other income

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Other Income</b>		
Interest Income	44.06	76.19
Dividend Income	304.68	323.57
Profit on Sales of Assets (Net)	60.47	-
Rent Income	54.10	50.12
Gain on sale of investments	0.01	200.64
Gain on Fair valuation /Sale of Investment at FVTPL	459.90	609.07
Duty Draw Back Claim	2.53	1.10
Miscellaneous Income	34.63	87.78
<b>Total</b>	<b>960.38</b>	<b>1,348.47</b>

## Note 17 : Cost of raw materials and components consumed

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
Inventory at the beginning of the year	2,555.08	2,225.30
Add : Purchases	5,564.73	5,909.60
	<b>8,119.81</b>	<b>8,134.90</b>
Less : Inventory at the end of the year	2,530.17	2,555.08
Cost of Raw material	5,589.64	5,579.82
<b>Total</b>	<b>5,589.64</b>	<b>5,579.82</b>

## Note 18 : Purchases of stock-in-trade

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
Purchase of traded goods	2,142.77	2,740.94
<b>Total</b>	<b>2,142.77</b>	<b>2,740.94</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade** (₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Inventory at the beginning of the year</b>		
Stock-in-trade	-	-
Work-in-progress	633.32	867.46
Finished Goods	225.84	678.45
Finished goods in transit	4.46	-
	<b>863.62</b>	<b>1,545.91</b>
<b>Inventory at the End of the Year</b>		
Stock-in-trade	-	-
Work-in-progress	775.43	633.32
Finished Goods	159.90	225.84
Finished goods in transit	459.62	4.46
	<b>1,394.95</b>	<b>863.62</b>
<b>Total</b>	<b>(531.33)</b>	<b>682.29</b>

**Note 20 : Manufacturing Expense and Erection Charges** (₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Stores, Tools and Spares Consumed	202.63	229.18
Power and Fuel	15.92	7.97
<b>Total</b>	<b>218.55</b>	<b>237.15</b>

**Note 21 : Employee Benefits Expense** (₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Salaries, Wages and Bonus	1,412.08	1,357.38
Contribution to Provident and other Funds	61.01	60.56
Employees' Welfare Expenses	35.18	40.81
Employees' Retirement Benefits	28.27	34.74
<b>Total</b>	<b>1,536.54</b>	<b>1,493.49</b>

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

## Note 22 : Finance Costs

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
Interest Expense	3.81	0.09
Other Borrowing Costs	50.18	38.17
<b>Total</b>	<b>53.99</b>	<b>38.26</b>

## Note 23 : Other Expenses

Particulars (For the Year Ended)	31-March 2018	31-March-2017
Rent	60.79	95.68
Computer Software Charges	48.35	45.44
Rates & Taxes	94.56	100.60
Excise Duty (excluding Duty recovered from Customers)	(30.52)	(53.87)
Repairs and Maintenance :		
- Building	118.72	183.77
- Machinery	184.31	235.64
- Others	152.34	122.28
Insurance (Net of recoveries)	32.16	23.00
Travelling Expense	156.69	178.61
Directors' Fees	8.70	9.55
Commission to Non-Executive Directos	15.00	10.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	144.28	189.14
Commission & Brokerage	1,655.91	1,935.23
Warranty Claim Replacement (Refer Note No.13)	139.36	169.94
Bad Debts Written Off	63.24	-
Provision for Doubtful Debt / (Written Back)	(38.74)	65.61
Advertisements & Sales Promotion Expenses	9.79	8.20
Payment to Auditors (Refer Note Below)	7.72	4.67
Expenditure on Corporate Social Responsibility (Refer Note No.34)	51.72	54.00
Donations	4.00	100.06
Lease Rentals	17.02	46.12
Other Professional Consultancy Fees	136.50	200.18
General Administrative Charges	470.99	461.05
Loss on Sales of Assets (Net)	-	10.05
Loss on Account of Exchange Variation (Net)	12.58	4.04
<b>Total</b>	<b>3,515.47</b>	<b>4,198.99</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Payment to Auditors (Net of Service Tax)**

(₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Statutory Auditors</b>		
<b>As Auditors</b>		
Audit fees	3.60	1.51
Taxation matters	0.50	-
Limited review fees	0.71	0.75
Certification fees	1.08	0.95
Reimbursement of expenses	1.83	1.46
<b>Total</b>	<b>7.72</b>	<b>4.67</b>

**Research and Development Expenses**

(₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Cost of material consumed	66.68	159.09
Salaries, Wages and Bonus	192.53	182.11
Contribution to Provident and other Funds	16.78	11.63
Travelling, conveyance and other expenses	36.27	24.80
<b>Total</b>	<b>312.26</b>	<b>377.63</b>

**Note 24 : Income Tax**

The major component of income tax expense for the years ended 31-March-2018 and 31-March-2017 are :

(₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current Income Tax	375.16	637.00
Adjustment in respect of current tax of previous years	(9.13)	8.62
	<b>366.03</b>	<b>645.62</b>
<b>Deferred Tax</b>		
Relating to Origination and reversal or temporary difference and MAT Credit	(66.83)	(175.53)
<b>Income Tax Expense Reported in the Statement of Profit and Loss</b>	<b>299.20</b>	<b>470.09</b>

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

## OCI Section

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Statement to Other comprehensive income (OCI)</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
Net loss/(gain) on actuarial gains and losses	8.73	(7.60)
<b>Deferred Tax Charged to OCI</b>	<b>8.73</b>	<b>(7.60)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March- 2018 and 31-March-2017.

## A) Current tax

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
Accounting profit before tax from continuing operations	1,943.64	2,979.19
Tax @ 34.608% (31-March-2017: 34.608%)	672.65	1,031.04
<b>Adjustment</b>		
In respect of additional allowance for R & D expense	(54.03)	(130.69)
In respect of Exempted income	(283.17)	(186.95)
In respect of Expense disallowed/(Allowed)	5.15	10.81
In respect of standard deduction on rent income	(4.57)	(4.46)
In respect of t profit on sale of assets	(20.93)	-
In respect of tax rate difference on profit on sale of investment	(15.90)	(249.66)
At the effective income tax rate of 15.39% (March 31, 2017 : 15.78%)	299.20	470.09

## B) Deferred tax

(₹ in Lakh)

Particulars (For the Year Ended)	Balance Sheet		Statement of Profit and Loss	
	31-March-2018	31-March-2017	31-March-2018	31-March-2017
Depreciation difference	838.04	880.48	(42.45)	(68.82)
Disallowances u/s 43 B of Income Tax Act	(129.76)	(127.92)	(1.84)	(17.27)
Provision for Doubtful debts & advances	(36.12)	(22.71)	(13.41)	(22.71)
On Unrealised gain on fairvaluation of investment at FVTPL	180.97	190.10	(9.13)	(66.73)
Deferred tax expense/(income) accounted through other comprehensive income	1.13	(7.60)	8.73	(7.60)
<b>Deferred tax expense/(Income)</b>	<b>-</b>	<b>-</b>	<b>(58.10)</b>	<b>(183.13)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>854.26</b>	<b>912.35</b>	<b>-</b>	<b>-</b>

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

Particulars (For the Year Ended)	Balance Sheet		Statement of Profit and Loss	
	31-March-2018	31-March-2017	31-March-2018	31-March-2017
Reflected in the balance sheet as follows				
Deferred tax assets	(165.88)	(150.63)	-	-
Deferred tax liabilities	1,020.14	1,062.98	-	-
<b>Deferred tax liabilities (net)</b>	<b>854.26</b>	<b>912.35</b>	<b>-</b>	<b>-</b>

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 related to income taxes levied by the same tax authority.

During the year ended 31-March-2018 and 31-March-2017, 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.

**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-2018	31-March-2017	31-March-2018	31-March-2017
<b>Financial assets</b>				
Investments measured at fair value through profit or loss	13,614.39	13,686.98	13,614.39	13,686.98
Investments measured at amortised cost	584.79	584.79	619.39	624.97
<b>Total</b>	<b>14,199.18</b>	<b>14,271.77</b>	<b>14,233.78</b>	<b>14,311.95</b>

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.

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

## 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-2018, 31-March-2017.

(₹ in Lakh)

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-2018					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	31-March-2018	10.24	10.24	-	-
Investment in Mutual fund -unquoted	31-March-2018	13,604.15	-	13,604.15	-
Assets for which fair values are disclosed					
Investment in Bonds, quoted	31-March-2018	584.79	584.79	-	-
Investment property	31-March-2018	1,003.67	-	-	1,003.67

Particulars as at	Date of valuation	Fair value measurement using			
		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 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 risk estimates provided here assume:

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-2018 and 31-March-2017 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 currency 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.

## NOTES TO THE STANDALONE 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 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 unbilled)	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2018	4,376.23	1231.90	154.12	48.50	202.12	6012.87
31-March-2017	3419.85	947.96	212.63	178.18	131.04	4889.66

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-2018 and 31-March-2017 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
<b>Year ended 31-March-2018</b>						
Trade payables	-	1,203.71	1,238.20	-	-	-
Other financial liabilities	52.59	-	-	-	-	-
Payable for capital goods	-	-	20.56	-	-	-
Term Loan from Bank	-	3.02	9.24	25.92	23.60	-
	<b>52.59</b>	<b>1,206.73</b>	<b>1,268.00</b>	<b>25.92</b>	<b>23.60</b>	<b>-</b>
<b>Year ended 31-March-2017</b>						
Trade payables	-	48.49	1,336.00	-	-	-
Other financial liabilities	-	-	-	-	-	-
Payable for capital goods	51.22	-	245.74	-	-	-
	<b>51.22</b>	<b>48.49</b>	<b>1,581.74</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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	Year ended 31-March-2018	Year ended 31-March-2017
Trade and other payables (Note 12 & 14)	3,226.05	1,984.16
Less: cash and cash equivalent \ (including other bank balance) (Note6)	(418.01)	(242.79)
<b>Net Debt</b>	<b>2,808.04</b>	<b>1,741.37</b>
Equity share capital (Note 10)	576.84	576.84
Other equity (Note 11)	28,583.27	27,269.48
<b>Total Capital</b>	<b>29,160.11</b>	<b>27,846.32</b>
<b>Capital and Net Debt</b>	<b>31,968.15</b>	<b>29,587.69</b>
<b>Gearing Ratio</b>	<b>9%</b>	<b>6%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2018 and 31-March-2017.

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

## Note 29 : Contingent Liabilities

(₹ in Lakh)

Particulars (As on)	31-March-2018	31-March-2017
<b>Contingent liabilities not provided for</b>		
a. Guarantee given by the Company on behalf of Elecon Engineering Co. Ltd.	-	2,426.39
b. Guarantees issued by Banks	1,969.57	1,761.38
c. Income tax demands disputed by the Company	3.17	20.62
d. Sales tax demands disputed by the Company	154.97	132.98
e. Excise & Service tax demands disputed by the Company	1,945.26	1,968.17

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 on)	31-March-2018	31-March-2017
<b>Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	100.47	403.62
Other commitments	-	-

## Note 31 : Disclosure pursuant to Employee benefits

## A. Defined contribution plans:

Amount of ₹ 72.32 Lakh. (March 31, 2017: ₹ 74.12 Lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Provident Fund	61.01	60.56
Superannuation Fund	11.31	13.56
	<b>72.32</b>	<b>74.12</b>

## B. Defined benefit plan:

The Company has following post employment benefit which is 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-2018 : 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							Contributions by employer	31-March-2018
	01-April-2017	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Asset Transfer In/ Transfer Out		
Gratuity													
Defined benefit obligation	376.10	17.24	27.34	44.58	(25.68)			(10.94)	(15.35)	(26.29)	(0.55)		368.16
Fair value of plan Assets	372.27		27.07	27.07	(25.68)	(1.08)				(1.08)	0.00	8.36	380.94
Benefit liability/(Asset)	3.83	17.24	0.27	17.51	-	1.08	-	(10.94)	(15.35)	(25.21)	(0.55)	(8.36)	(12.78)
Total benefit liability/(Asset)	3.83	17.24	0.27	17.51	-	1.08	-	(10.94)	(15.35)	(25.21)	(0.55)	(8.36)	(12.78)

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							Contributions by employer	31-March-2017
	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	342.09	15.60	26.89	42.49	(28.15)	-		10.86	7.76	18.62	1.05	-
Fair value of plan assets	356.58		28.03	28.03	(28.15)	(3.34)				(3.34)	(6.43)	25.59
Benefit liability / (assets)	(14.49)	15.60	(1.14)	14.46	0.00	3.34	0.00	10.86	7.76	21.96	7.48	(25.59)
Total benefit liability/(assets)	(14.49)	15.60	(1.14)	14.46	-	3.34	-	10.86	7.76	21.96	7.48	(25.59)
												3.83

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-2018 (%) of total plan assets	Year ended 31-March-2017 (%) of total plan assets
Insured fund	100%	100%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

**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-2018	Year ended 31-March-2017
Discount rate	7.88%	7.27%
Future salary increase	7.00%	7.00%
Expected rate of return on plan assets	7.88%	7.27%
Attrition rate	2.00%	2.00%
Mortality rate during employment	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)

Particulars	(increase) / decrease in defined benefit obligation (Impact)		
	Sensitivity Level	Year Ended 31-March-2018	Year Ended 31-March-2017
<b>Gratuity</b>			
Discount rate	1% increase	(16.20)	(17.94)
	1% decrease	18.41	20.43
Salary increase	1% increase	18.39	20.29
	1% decrease	(16.47)	(18.15)
Attrition rate	1% increase	9.07	0.15
	1% decrease	(1.03)	(0.19)

The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakh)

Particulars	Year Ended 31-March-2018	Year Ended 31-March-2017
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	119.30	105.08
Between 2 and 5 years	102.66	113.15
Beyond 5 years	172.49	186.70
	<b>394.45</b>	<b>404.93</b>
<b>Total Expected Payments</b>	<b>394.45</b>	<b>404.93</b>

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

**Weighted average duration of defined plan obligation (based on discounted cash flows)** (₹ in Lakh)

<b>Particulars</b>	<b>Year ended 31-March-2018</b>	<b>Year ended 31-March-2017</b>
Gratuity (Years)	12	13

The followings are the expected contributions to planned assets for the next year: (₹ in Lakh)

<b>Particulars</b>	<b>Year ended 31-March-2018</b>	<b>Year ended 31-March-2017</b>
Gratuity	3.07	21.07

**C. Other Long Term Employee Benefit Plans****Leave encashment / Compensated absences**

Salaries, Wages and Bonus include ₹ 16.74 Lakhs (Previous Year ₹ 37.19 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/<br>significant influence | Shri P. B. Patel<br>Elecon Engineering Co. Ltd. |
| c. Key Management Personnel                                       |   |

**Directors**

Shri M. G. Rao  
Shri P. B. Patel  
Shri P. M. Patel  
Shri P. C. Amin  
Shri Nirmal Bhogilal  
Shri Nalin M. Shah  
Smt. Manjuladevi Shroff  
Ms. Reena Bhagwati

**Executive Officers**

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.

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

	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.
	Jamco 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 Andtriebstechnik GmbH, Germany
	OY Benzler AB (Finland)
	Radicon Transmission (Thailand) Ltd.
	Radicon Transmission System (Thailand) Ltd.
	Radicon Transmission (Australia) Pty. Ltd.
	Desmin Agencies
	United Marketing
	Expert Energy System-LLP
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.

(₹ in Lakhs)

## b. Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year Ended	
	31-March-2018	31-March-2017
<b>Purchase of Material</b>		
Elecon Engineering Company Ltd.	441.69	601.37
Power Build Pvt. Ltd.	0.89	1.70
Speciality Woodpack Pvt. Ltd.	22.05	16.50
Eimco Elecon Electricals Ltd.	141.86	95.39

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

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2017	31-March-2016
Elecon Peripherals Ltd.	11.19	6.69
Elecon Hydraulics Pvt. Ltd	39.78	48.74
<b>Job work Income</b>		
Elecon Engineering Company Ltd.	14.23	2.35
Power Build Pvt. Ltd.	0.71	-
<b>Job work Expenses</b>		
Elecon Engineering Company Ltd.	10.55	2.03
<b>Sale of Finished Goods, Consumables &amp; Scrap</b>		
Elecon Engineering Company Ltd.	19.57	25.69
Speciality Woodpack Pvt. Ltd.	1.55	1.95
Eimco Elecon Electricals Ltd.	0.18	0.24
Elecon Hydraulics Pvt. Ltd.	5.07	13.31
Vijay M. Mistry Construction Pvt. Ltd.	23.34	0.41
<b>Purchase of Fixed Assets</b>		
Elecon Engineering Company Ltd.	1,012.32	-
Tech Elecon Pvt. Ltd.	249.51	248.75
Devkishan Investments Pvt. Ltd.	88.82	-
<b>Sale of Fixed Assets</b>		
Elecon Engineering Company Ltd.	17.96	1.09
<b>Sale of Investment</b>		
Elecon Peripherals Ltd.	-	80.20
EMTICI Engineering Ltd.	-	131.55
<b>Expenses Charged to</b>		
Elecon Engineering Company Ltd.	5.54	5.02
<b>Expenses Charged by</b>		
Elecon Engineering Company Ltd.	15.09	55.02
Speciality Woodpack Pvt. Ltd.	14.55	13.62
Elecon Information Technology Ltd.	11.70	11.46
Akaaish Mechatronics Ltd.	158.56	130.88
EMTICI Engineering Ltd.	68.65	58.13
Wizard Fincap Ltd.	15.32	17.33
Madhubhan Resort & Spa	-	6.23
Tech Elecon Pvt. Ltd.	101.62	80.52
Devkishan Investments Pvt. Ltd.	25.43	41.92

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

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2018	31-March-2017
<b>Sales Commission</b>		
EMTICI Engineering Ltd.	1,483.99	1,635.09
<b>Reimbursement of Expense paid / payable</b>		
Elecon Engineering Company Ltd.	15.78	17.36
<b>Reimbursement of Expense Received / Receivable</b>		
Elecon Engineering Company Ltd.	0.92	-
Power Build Pvt. Ltd.	1.03	-
<b>Remuneration to Key management person</b>		
<b>Directors</b>		
M. G. Rao	94.37	90.99
P. B. Patel	62.88	3.17
P. M. Patel	4.83	5.10
P. C. Amin	3.75	3.75
Nirmal Bhogilal	4.00	4.55
Nalin M. Shah	4.58	4.72
Manjuladevi Shroff	3.55	3.25
Reena Bhagwati	3.00	-
H. S. Parikh	-	3.18
<b>Executive Officers</b>		
N. D. Shelat	30.48	22.81
B. L. Isarani	11.12	7.60
<b>Dividend Paid</b>		
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
<b>Guarantees and Collaterals given</b>		
Elecon Engineering Company Ltd. (Up to 30.11.2017)	2,604.00	2,426.39



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)****b. Balance as at year end :**

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2018	31-March-2017
<b>Outstanding Payables :</b>		
<b>(a) Associate</b>		
Eimco Elecon Electricals Ltd.	37.49	14.67
<b>(b) Individual/Enterprise having control/significant influence</b>		
Elecon Engineering Company Ltd.	41.24	22.67
<b>(c) Key Management Personnel</b>		
Shri M. G. Rao	5.00	5.00
<b>(d) Enterprises over which (b) or (c) above have significant influence</b>		
Elecon Peripherals Ltd.	0.18	2.95
EMTICI Engineering Ltd.	537.88	282.22
Elecon Information Technology Ltd.	-	2.58
Akaaish Mechatronics Ltd.	1.37	0.42
Speciality Woodpack Pvt. Ltd.	6.14	5.45
Power Build Pvt. Ltd.	0.89	-
Tech Elecon Pvt. Ltd.	52.79	236.55
Elecon Hydraulics Pvt. Ltd.	0.35	33.33
Wizard FinCap Ltd.	1.18	0.77
Devkishan Investments Pvt. Ltd.	1.85	-
<b>Outstanding Receivables :</b>		
<b>(a) Associate</b>		
Eimco Elecon Electricals Ltd.	-	-
<b>(b) Individual/Enterprise having control significant influence</b>		
Elecon Engineering Company Ltd.	29.21	23.09
<b>(c) Enterprises over which (b) or (c) above have significant influence</b>		
Speciality Woodpack Pvt. Ltd.	0.35	-
EMTICI Engineering Ltd.	0.10	0.10
Power Build Pvt. Ltd.	0.86	
Elecon Hydraulics Pvt. Ltd.	18.38	13.31
Vijay M. Mistry Construction Pvt. Ltd.	-	(0.07)
<b>(d) Collaborators:</b>		
Sandvik Asia Pvt. Ltd.	-	(3.20)
<b>Investment:</b>		
<b>(a) Associates</b>		
Eimco Elecon Electricals Ltd.	51.00	51.00

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

**d. Commitments with related parties**

The Company has not provided any commitment to the related parties as at 31-March-2018, (31-March-2017: ₹ Nil)

**e. Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakh)

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Short-term employee benefits	198.85	124.57
Post employment benefits	11.32	7.73
Other long-term employment benefits	-	-
<b>Total compensation paid to key management personnel</b>	<b>210.17</b>	<b>132.30</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 33 : Earning per share**

(₹ in Lakhs except EPS)

Particulars	2017-18	2016-17
<b>Earing per Share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	1,644.44	2,509.10
Total No. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
<b>Weighted average number of equity shares</b>		
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	28.51	43.50
Diluted earning per share	28.51	43.50

**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: (₹ in Lakh)

		Year Ended					
		31-March-2018			31-March-2017		
		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	51.72		51.72	54.00		54.00
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

**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 **31<sup>st</sup> March, 2018**; 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 requirements of the Companies Act, 2013 (herein after 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This 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; 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 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.

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 Consolidated 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 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 we have obtained 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 **31<sup>st</sup> March**,



**2018** and their Consolidated profit, their Consolidated total comprehensive income, their Consolidated cash flows and Consolidated statement of changes in equity for the year ended on that date.

#### **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 purpose 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 Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e. On the basis of written representations received from the directors of the Holding Company as on **31<sup>st</sup> March, 2018** taken on record by the Board of Directors of the Holding Company and its Associate, none of the Directors of the Group Companies incorporated in India, is disqualified

as on **31<sup>st</sup> March, 2018** 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**".
- 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 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 long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Holding Company and its associate incorporated in India.

**For Thacker Butala Desai**  
Chartered Accountants  
(Firm Reg. No. 110864W)

**Yatin N. Patel**  
Partner

Place : Vallabh Vidyanagar  
Date : May 3, 2018

Mem. No. 122676

## **‘ANNEXURE A’ TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF EIMCO ELECON (INDIA) LIMITED**

### **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, **31<sup>st</sup> March, 2018**, 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 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. 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 **31<sup>st</sup> March, 2018**, 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 **Thacker Butala Desai**  
Chartered Accountants  
(Firm Reg. No. 110864W)

**Yatin N. Patel**

Partner

Place : Vallabh Vidyanagar

Date : May 3, 2018

Mem. No. 122676

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(₹ in Lakh)

	Note No.	31-March-2018	31-March-2017
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	3	7,250.24	6,358.30
(b) Capital work-in-progress		73.33	-
(c) Investment property	4	368.74	390.12
(d) Intangible assets	5	39.40	6.68
(e) Financial assets			
(i) Investments	6	8,260.63	7,679.20
(ii) Other financial assets	6	330.76	291.39
(f) Non-current tax assets (net)	9	162.41	167.94
(g) Other non-current assets	7	12.00	-
<b>Total Non-current Assets</b>		<b>16,497.51</b>	<b>14,893.63</b>
<b>II. Current assets</b>			
(a) Inventories	8	3,925.12	3,418.70
(b) Financial assets			
(i) Investments	6	6,288.79	6,960.18
(ii) Trade receivables	6	6,012.87	4,889.66
(iii) Cash and cash equivalents	6	401.65	227.80
(iv) Bank Balances other than (iii) above	6	16.36	14.99
(v) Others financial assets	6	10.70	10.70
(c) Current tax assets (net)		88.01	-
(d) Other current assets	7	557.89	975.29
<b>Total Current Assets</b>		<b>17,301.39</b>	<b>16,497.32</b>
<b>Total Assets</b>		<b>33,798.90</b>	<b>31,390.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	576.84	576.84
(b) Other equity	11	28,882.48	27,586.06
<b>Total Equity</b>		<b>29,459.32</b>	<b>28,162.90</b>



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

	Note No.	31-March-2018	31-March-2017
<b>LIABILITIES</b>			
<b>(I) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	61.78	-
(b) Long-term provisions	13	85.70	86.73
(c) Deferred tax liabilities (net)	24	854.26	912.35
<b>Total Non-current Liabilities</b>		<b>1,001.74</b>	<b>999.08</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	12	2,441.91	1,384.49
(ii) Other financial liabilities	12	73.15	296.93
(b) Other current liabilities	14	649.21	302.74
(c) Short-term provisions	13	173.57	200.09
(d) Current tax liabilities (net)		-	44.72
<b>Total Current Liabilities</b>		<b>3,337.84</b>	<b>2,228.97</b>
<b>Total Equity and Liabilities</b>		<b>33,798.90</b>	<b>31,390.95</b>

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 **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholesale Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

	Note No.	31-March-2018	31-March-2017
<b>INCOME</b>			
<b>Revenue from operations</b>			
Sale of Products	15	14,161.26	18,480.81
Sale of Services	15	13.50	4.68
Other Operating Income	15	41.79	55.03
<b>Revenue from operations</b>		<b>14,216.55</b>	<b>18,540.52</b>
Other income	16	960.38	1,348.47
<b>Total Income (I)</b>		<b>15,176.93</b>	<b>19,888.99</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	5,589.64	5,579.82
Purchase of traded goods	18	2,142.77	2,740.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(531.33)	682.29
Excise Duty Expenses		208.53	1,421.16
Manufacturing expense	20	218.55	237.15
Employee benefits expenses	21	1,536.54	1,493.49
Finance costs	22	53.99	38.26
Depreciation and amortisation expense		499.13	517.70
Other expenses	23	3,515.47	4,198.99
<b>Total Expenses (II)</b>		<b>13,233.29</b>	<b>16,909.80</b>
<b>Profit before share in profit / (loss) of associates and tax (III) = (I-II)</b>		<b>1,943.64</b>	<b>2,979.19</b>
<b>Share in income of associates (IV)</b>		<b>(17.37)</b>	<b>(37.49)</b>
<b>Profit before tax (V)</b>		<b>1,926.27</b>	<b>2,941.70</b>
<b>Tax Expense</b>			
Current tax	24	375.16	637.00
Adjustment of tax relating to earlier periods	24	(9.13)	8.62
Deferred tax	24	(66.83)	(175.53)
<b>Total tax expense (VI)</b>		<b>299.20</b>	<b>470.09</b>
<b>Profit for the year (VII) = (VI-V)</b>		<b>1,627.07</b>	<b>2,471.61</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

<b>For the Year Ended</b>	<b>Note No.</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:</b>			
Re-measurement gains / (losses) on defined benefit plans		25.22	(21.96)
Income tax effect of above		(8.73)	7.60
		<b>16.49</b>	<b>(14.36)</b>
<b>Other comprehensive income to be reclassified to Profit or Loss in subsequent periods</b>			
		-	-
<b>Total other comprehensive income for the year, net of tax (VI)</b>		<b>16.49</b>	<b>(14.36)</b>
<b>Total comprehensive income for the year, net of tax attributable to equity share holders VII = (V + VI)</b>		<b>1,643.56</b>	<b>2,457.25</b>
Earning per equity share [nominal value per share ₹ 10/- (31-March-2017: ₹10/-)]			
Basic		28.21	42.85
Diluted		28.21	42.85

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

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

Particulars (For the year ended on )	31-March-2018	31-March-2017
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before Tax	<b>1,926.27</b>	<b>2,941.70</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
1) Depreciation and Amortisation	499.13	517.70
2) Finance Cost	3.81	0.09
3) Gain on sale / fair valuation of Investment	(459.91)	(609.07)
4) Gain on Sale of Fixed Assets (Net)	(60.47)	10.05
5) Interest Income	(44.06)	(76.19)
6) Dividend Income	(304.68)	(323.57)
7) Remeasurement of Employee benefit expense	25.22	(21.96)
<b>Operating Profit before working capital changes</b>	<b>1,585.31</b>	<b>2,438.75</b>
Working Capital Adjustments		
1) Trade and other receivables	(1,123.21)	290.01
2) Inventories	(506.42)	352.51
3) Other financial assets	(39.37)	(33.44)
4) Other current and non-current assets	405.40	(104.31)
5) Trade payables	1,057.42	(903.68)
6) Other payables	318.92	33.01
7) Other financial liabilities	(225.15)	260.39
<b>Cash Generated from Operations</b>	<b>1,472.90</b>	<b>2,333.24</b>
<b>Less :</b>		
1) Direct taxes paid	493.22	471.44
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>979.68</b>	<b>1,861.80</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Add :		
1) Sale of fixed assets	154.09	19.14
2) Interest received	44.06	76.19
3) Dividend received	304.68	323.57
4) Sale of investments	549.87	-
Less :		
1) Purchase of investments ( net)	-	(1,467.79)
2) Purchase of fixed assets	(1,569.36)	(375.92)
3) Unpaid Dividend Account	(1.37)	(1.08)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(518.03)</b>	<b>(1,425.89)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(₹ in Lakh)

Particulars (For the year ended on)	31-March-2018	31- March-2017
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
1) Interest Paid	(3.81)	(0.09)
2) Dividend Paid	(287.05)	(287.33)
3) Tax on Dividend	(58.72)	(58.72)
4) Proceeds from Non-current Borrowing	61.78	-
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(287.80)</b>	<b>(346.14)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>173.85</b>	<b>89.76</b>
<b>Opening Cash and Cash equivalents</b>	<b>227.80</b>	<b>138.03</b>
<b>Closing Cash and Cash equivalents (Refer Note 13)</b>	<b>401.65</b>	<b>227.80</b>
<b>Components of Cash &amp; Cash Equivalents :-</b>		
Cash on hand	0.05	0.05
<b>Balances with banks</b>		
In Current Accounts	401.60	227.75
	<b>401.65</b>	<b>227.80</b>

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Attributable to the Equity Holders of the Parent					(₹ in Lakh)
	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 10	Note 11	Note 11	Note 11	Note 11	
<b>Balance as at 01-April-2016</b>	<b>576.84</b>	<b>2.91</b>	<b>20,043.45</b>	<b>753.83</b>	<b>4,729.57</b>	<b>26,106.60</b>
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)	-
<b>Balance as at 31-March-2017</b>	<b>576.84</b>	<b>2.91</b>	<b>21,543.45</b>	<b>753.83</b>	<b>5,285.87</b>	<b>28,162.90</b>
Profit for the year	-	-	-	-	1,627.07	1,627.07
Other comprehensive income for the year	-	-	-	-	16.49	16.49
Total Comprehensive Income for the year	-	-	-	-	<b>1,643.56</b>	<b>1,643.56</b>
Dividend	-	-	-	-	(288.42)	(288.42)
Dividend distribution tax	-	-	-	-	(58.72)	(58.72)
Transfer from Retained earnings	-	-	900.00	-	(900.00)	-
<b>Balance as at 31-March-2018</b>	<b>576.84</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>5,682.29</b>	<b>29,459.32</b>

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

As per our report of even date attached

For **THACKER BUTALA DESAI**

Chartered Accountants

ICAI Firm's Registration No.110864W

For and on behalf of the Board of Directors,

**Y. N. Patel**

Partner

Membership No. 122676

**M. G. Rao**

Wholetime Director

**P. C. Amin**

Director

**N. D. Shelat**

Chief Financial Officer

**B. L. Isarani**

Company Secretary

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

Place : Vallabh Vidyanagar

Date : 3<sup>rd</sup> May, 2018

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2018****1. CORPORATE INFORMATION**

The consolidated financial statement comprises financial statement of Eimco Elecon (India) Ltd. and its associate Eimco Elecon Electricals Ltd. Eimco Elecon (India) Ltd. is a public company domiciled in India and is 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 03<sup>rd</sup> May, 2018.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis except for the following items:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit (asset) / liability - measured at fair value of plan assets less present value of defined benefit obligations.

The consolidated 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 associate as at 31<sup>st</sup> March 2018. 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.

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.

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

**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 having 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
- 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.





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

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.

### **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.

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.

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

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 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. 2.3 (g) & Note No.4)
- Financial instrument (Note No. 2.3 (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 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 and Goods and Service 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.



## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**

### **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 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.

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

**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.

**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.

**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

**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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****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 group 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 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 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.

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

**I. 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.

**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.



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

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.

### **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 and Tax Free Bonds, are recognised initially at fair value, through profit & loss account. In the case of financial assets not recorded at fair value through profit or loss, are recognised at 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 asset 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.



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

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.

**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





## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**

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.

### **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.

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

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 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.

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

### 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 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

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

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.

**2.5 Ind AS 115 Revenue from Contract with Customers:**

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind As115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or service to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or service. Further the new standard requires enhanced disclosures about the nature, amount timing and certainty of revenue and cash flow arising from the entity's contract with customers.

The standard permits two possible method of transitions :

1. Retrospective: Under this approach the standard will be applied retrospectively to each prior reporting period represented in accordance with Ind AS 8 –Accounting Policy, Changes in Accounting Estimates and Errors.
2. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch up approach). The effective date for adoption of Ind AS 115 is financial period beginning on or after 01<sup>st</sup> April 2018.

The company will adopt the standard on 01<sup>st</sup> April, 2018 by using the cumulative catch-up transition method and accordingly comparative for the year ending on 31<sup>st</sup> March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant. Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.



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

## Note 3 : Property, Plant and Equipment

Particulars	Land Freehold	Land Leasehold	Buildings	Plant & Equip-ment	Furniture & Fixture	Vehicles	Office Equip-ment	Electrical Fittings	Jigs	Total	CWIP
<b>Cost</b>											
<b>As at 1-April-2016</b>	<b>2,294.30</b>	<b>878.73</b>	<b>1,562.53</b>	<b>3,090.85</b>	<b>259.57</b>	<b>264.05</b>	<b>777.77</b>	<b>114.48</b>	<b>174.32</b>	<b>9,416.60</b>	<b>16.23</b>
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
<b>As at 31-March-2017</b>	<b>2,294.30</b>	<b>878.73</b>	<b>1,635.40</b>	<b>2,918.23</b>	<b>266.43</b>	<b>186.05</b>	<b>1,011.67</b>	<b>126.51</b>	<b>174.32</b>	<b>9,491.64</b>	<b>-</b>
Additions	755.29	-	314.92	86.36	9.82	88.29	201.85	0.23	-	1,456.76	835.09
Deductions	-	-	-	146.42	-	-	0.26	-	-	146.68	761.76
<b>As at 31-March-2018</b>	<b>3,049.59</b>	<b>878.73</b>	<b>1,950.32</b>	<b>2,858.17</b>	<b>276.25</b>	<b>274.34</b>	<b>1,213.26</b>	<b>126.74</b>	<b>174.32</b>	<b>10,801.72</b>	<b>73.33</b>
<b>Depreciation and Impairment</b>											
<b>As at 1-April-2016</b>	<b>-</b>	<b>-</b>	<b>167.37</b>	<b>1,419.70</b>	<b>245.44</b>	<b>210.38</b>	<b>674.28</b>	<b>106.92</b>	<b>130.90</b>	<b>2,954.99</b>	
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	
<b>As at 31-March-2017</b>	<b>-</b>	<b>-</b>	<b>337.09</b>	<b>1,447.91</b>	<b>249.28</b>	<b>163.10</b>	<b>691.56</b>	<b>108.89</b>	<b>135.51</b>	<b>3,133.34</b>	
Depreciation for the year	-	-	167.55	177.42	5.19	25.74	91.29	1.99	2.02	471.20	
Deductions	-	-	-	52.80	-	-	0.26	-	-	53.06	
<b>As at 31-March-2018</b>	<b>-</b>	<b>-</b>	<b>504.64</b>	<b>1,572.53</b>	<b>254.47</b>	<b>188.84</b>	<b>782.59</b>	<b>110.88</b>	<b>137.53</b>	<b>3,551.48</b>	
<b>Net Block</b>											
<b>As at 31-March-2018</b>	<b>3,049.59</b>	<b>878.73</b>	<b>1,445.68</b>	<b>1,285.64</b>	<b>21.78</b>	<b>85.50</b>	<b>430.67</b>	<b>15.86</b>	<b>36.79</b>	<b>7,250.24</b>	
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	

Notes: Some of cars purchased during the F. Y. 2017-18 are hypothicated against borrowing from HDFC Bank Ltd

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

## Note 4 : Investment Properties (Building)

Particulars	(₹ in Lakh)
<b>Gross Block</b>	
<b>As at 1-April-2016</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2017</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2018</b>	<b>524.12</b>
<b>Depreciation and Impairment</b>	
<b>As at 01-April-2016</b>	<b>111.31</b>
Depreciation for the year	22.69
Deductions	-
<b>As at 31-March-2017</b>	<b>134.00</b>
Depreciation for the year	21.38
Deductions	-
<b>As at 31-March-2018</b>	<b>155.38</b>
<b>Net Block</b>	
<b>As at 31-March-2018</b>	<b>368.74</b>
As at 31-March-2017	390.12

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

Particulars (For the year ended on)	31-March-2018	31-March-2017
Rental income derived from Investment Properties	42.30	44.75
Direct operating expenses (including repairs and maintenance) generating rental income	3.71	19.45
Direct operating expenses (including repairs and maintenance) that did not generate rental income	11.96	-
<b>Profit arising from investment properties before depreciation and Indirect Expenses</b>	<b>26.63</b>	<b>25.30</b>
<b>Less : Depreciation</b>	<b>21.38</b>	<b>22.69</b>
<b>Profit arising from investment properties before Indirect Expenses</b>	<b>5.25</b>	<b>2.61</b>

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

As at 31-March-2018 and 31-March-2017 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)**

<b>Fair Value</b>	<b>(₹ in Lakh)</b>
<b>Balance as at 1-April-2016</b>	<b>816.00</b>
Fair value difference for the year	101.57
Purchases	-
<b>Balance as at 31-March-2017</b>	<b>917.57</b>
Fair value difference for the year	86.10
Purchases	-
<b>Balance as at 31-March-2018</b>	<b>1,003.67</b>

**Note 5 : Intangible Assets (Acquired)** (₹ in Lakh)

<b>Particulars</b>	<b>Software License</b>	<b>Technical Knowhow</b>	<b>Total</b>
<b>Cost</b>			
<b>As at 01-April-2016</b>	<b>349.19</b>	<b>301.40</b>	<b>650.59</b>
Additions	-	-	-
Deductions	-	-	-
<b>As at 31-March-2017</b>	<b>349.19</b>	<b>301.40</b>	<b>650.59</b>
Additions	39.27	-	39.27
Deductions	-	-	-
<b>As at 31-March-2018</b>	<b>388.46</b>	<b>301.40</b>	<b>689.86</b>
<b>Amortisation and Impairment</b>			
<b>As at 01-April-2016</b>	<b>307.46</b>	<b>300.52</b>	<b>607.98</b>
Amortisation for The Year	35.05	0.88	35.93
Deductions	-	-	-
<b>As at 31-March-2017</b>	<b>342.51</b>	<b>301.40</b>	<b>643.91</b>
Amortisation for the year	6.55	-	6.55
Deductions	-	-	-
<b>As at 31-March-2018</b>	<b>349.06</b>	<b>301.40</b>	<b>650.46</b>
<b>Net Block</b>			
<b>As at 31-March-2018</b>	<b>39.40</b>	<b>-</b>	<b>39.40</b>
As at 31-March-2017	6.68	-	6.68

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

## Note 6 : Financial Assets

(₹ in Lakh)

Particulars as at	31-March-2018			31-March-2017	
	Face Value	No of Share	Amount	No of Share	Amount
<b>6(a) Investments</b>					
<b>Non-current investments</b>					
<b>Investment in Equity Shares of Associate at Cost</b>					
Eimco Elecon Electrical Limited	10	510,000	350.21	510,000	367.58
<b>Investment at cost</b>			<b>350.21</b>		<b>367.58</b>

**Investment in Equity Shares of others at Fair Value through Profit or Loss Quoted**

Bank of Baroda	-	-	-	3,500	6.05
Bharti Airtel Limited	-	-	-	2,655	9.29
Colgate-Palmolive (I) Limited	-	-	-	1,000	9.96
GOL Offshore Limited	10	238	0.02	238	0.04
Grasim Industries Limited	-	-	-	5,000	52.45
Hindustan Unilever Limited	-	-	-	1,500	13.67
Infosys Limited	-	-	-	7,424	75.89
ITC Limited	-	-	-	4,500	12.61
Larsen & Toubro Limited	-	-	-	750	11.81
Mahindra & Mahindra Limited	-	-	-	8,800	113.25
Reliance Industries Limited	-	-	-	5,100	67.36
Reliance Infrastructure Limited	-	-	-	390	2.22
Siemens Limited	-	-	-	294	3.70
State Bank of India	-	-	-	35,000	102.69
Tata Chemicals Limited	-	-	-	10,000	59.88
Tata Steel Limited	-	-	-	11,325	54.67
Tata Power Limited	-	-	-	57,000	51.50
Ultratech Cement Limited	-	-	-	571	22.75
Aditya Birla Capital Limited	10	7,000	10.22	-	-
<b>Fair value of Quoted Equity Shares</b>			<b>10.24</b>		<b>669.79</b>

**Investment in equity shares of others at fair value through profit or loss**

**Unquoted**

Charotar Gas Sahakari Mandali	500	5	0.03	5	0.03
<b>Investment at cost</b>			<b>0.03</b>		<b>0.03</b>



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

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No of Units	Amount	No of Units	Amount
<b>Investment in Mutual funds at fair value through profit or loss</b>				
Investment in Mutual funds (Unquoted):				
Reliance Money Manager Fund	31,056.39	757.37	31,056.39	707.00
HDFC High Interest Fund Short Term		-	398,687.33	133.06
Tata Short Term Bond Fund - Growth	2,828,251.04	924.93	3,476,938.00	1077.67
Tata Income Fund - Appreciation	-	-	115,675.84	58.23
SBI SHDF STP - Growth	-	-	1,083,150.20	204.72
Tata Income Fund Appreciation -	-	-	221,449.10	34.10
SBI Magnum Income Fund - Growth	-	-	509,589.50	205.71
ICICI Dynamic Bond Fund Growth	-	-	1,048,498.57	202.24
Reliance Dynamic Bond Fund	-	-	619,797.57	142.54
BSL Short Term Opp Fund Growth	249,432.26	74.13	249,432.26	69.34
SBI Debt Fund Series A 3 420 Days - Growth	-	-	574,812.30	74.62
SBI Debt Fund Series A 14 380 Days - Growth	515,507.35	70.27	515,507.30	66.06
Reliance STF Direct Growth Plan	4,640,137.97	1,563.03	4,640,137.97	1466.32
ICICI Prudential MF FMP	1,000,000.00	110.76	1,000,000.00	102.80
Reliance Fixed Horizon XXXII Series 1 Growth	3,000,000.00	337.03	3,000,000.00	308.87
ICICI Prudential FMP Series 80 (Hedge)*	3,000,000.00	328.85	3,000,000.00	301.92
SBI Corporate Bond Fund Reg Plan -Growth	1,933,358.28	540.02	383,228.55	100.44
Reliance Fixed Horizon Fund XXXIII Series 2 Growth	3,000,000.00	329.75	3,000,000.00	301.37
Reliance Fixed Horizon Fund XXXIII Series 5 Growth	5,000,000.00	547.19	5,000,000.00	500.00
Reliance Corporate Bond Fund -	1,511,910.07	211.87	-	-
Invesco India Dynamic Equity Fund	1,095,290.25	305.26	-	-
Reliance Corporate Bond Fund - Growth	1,419,255.03	205.50	-	-
DHFL Pramerica Credit Opp. Gwth-Regular	2,253,474.54	310.12	-	-
ABSL Fixed Term Plan-Series PF (1148 days)	3,421,196.00	345.63	-	-
HDFC Short Term Opportunity Fund -Regular Plan-Growth	737,535.12	141.42	-	-
ICICI FMP 82-1157 Direct Growth	2,098,674.00	212.23	-	-
<b>Fair value of Non current Investment in Mutual Fund</b>		<b>7,315.36</b>		<b>6,057.01</b>

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

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No of Units	Amount	No of Units	Amount
<b>Investment at amortised cost</b>				
Investment in Bond Non Trade ( Quoted ) :				
8.20% Power Finance Corporation Limited	28,479	284.79	28,479	284.79
6.88% Power Finance Corporation Limited	30,000	300.00	30,000	300.00
<b>Investment at cost</b>		<b>584.79</b>		<b>584.79</b>
<b>Total Non-current Investments</b>		<b>8,260.63</b>		<b>7,679.20</b>
Aggregate value of quoted investments and its market value thereof		629.63		1,294.76
Aggregate value of unquoted investments		7,665.60		6,424.62
<b>Current Investments</b>				
<b>Investment in Mutual funds at fair Value through Profit or Loss Account</b>				
HDFC Cash Management Fund	84,648.59	900.34	166,452.62	1770.46
Reliance Medium Term Fund	7,358,034.44	1,258.65	9,037,536.00	1545.04
BSL Saving Fund	-	-	150,083.54	150.74
BSL Dynamic Bond Fund	-	-	3,101,965.53	344.66
Reliance Liquid Fund - Treasury plan	-	-	3,399.75	51.97
Reliance Short Term Fund- Dividend	6,728,155.61	752.07	6,500,032.83	721.96
BSL Short Term Fund	2,391,260.08	277.39	2,265,030.74	266.82
Axis Liquid Fund	-	-	5,067.61	50.71
BSL Cash Plus	805,647.53	807.26	771,024.36	772.53
Tata Short Term Bond Fund Dividend	1,059,673.76	166.88	1,059,673.76	161.81
ICICI Short Term Fund - Dividend	3,287,515.75	405.23	3,168,638.78	388.83
BSL-Short Term Fund Monthly dividend regular plan	6,589,992.36	763.23	6,242,121.21	734.65
BNP PARIBAS Enhanced Arbitrage	998,103.60	100.42	-	-
Axis Corporate Debt Fund-Dividend	528,962.32	53.32	-	-
HDFC Arbitrage Fund-Wp-Monthly dividend fund	4,760,997.91	501.05	-	-
UTI Liquid Fund-Short Term Plan-CM	1,434,288.09	302.95	-	-
<b>Fair value of Current Investment in Mutual Fund</b>		<b>6,288.79</b>		<b>6,960.18</b>

**Note :**

The company has provided the security to Axis finance Ltd. by lien on investment made in ICICI Pudential FMP Series 80 of ₹ 3.00 crore for obtaining loan of ₹ 2.00 crore.

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

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
	Amount	Amount
Total Current Investments		
Aggregate value of unquoted investments	6,288.79	6,960.18
Aggregate amount of impairment in value of investments	-	-
<b>Total Investments</b>	<b>14,549.42</b>	<b>14,639.38</b>

**6(b) Other Financial Assets**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, Considered Good		
<b>Non-Current</b>		
Security Deposits	330.76	291.39
	<b>330.76</b>	<b>291.39</b>
<b>Current</b>		
Receivable other than trade	10.70	10.70
	<b>10.70</b>	<b>10.70</b>
<b>Total Other Financial Assets</b>	<b>341.46</b>	<b>302.09</b>

**6(c) Trade Receivables**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, Considered Good	6,012.87	4,889.66
<b>Total Trade and Other Receivables</b>	<b>6,012.87</b>	<b>4,889.66</b>

**6(d) Cash and Cash Equivalents**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Cash and Cash Equivalents</b>		
Balance with Bank		
Current accounts and debite balance in cash credit accounts	401.60	127.75
In Deposit Account (with original maturity upto 3 months)	-	100.00
Cash on hand	0.05	0.05
<b>Total Cash and Cash Equivalents</b>	<b>401.65</b>	<b>227.80</b>

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

## 6(e) Other Bank Balance

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Other bank balances</b>		
Unpaid dividend accounts	16.36	14.99
<b>Total</b>	<b>16.36</b>	<b>14.99</b>

## 6 (f) Financial assets by category

Amount in ₹

Particulars (As at)	Cost	FVTPL	Amortised cost
<b>31-March-2018</b>			
<b>Financial assets by category</b>			
Investments			
- Equity Share in Associate at cost	350.21	-	-
- Equity Share in Others at FVTPL	-	10.24	-
- Equity Share in Others non trade - unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	7,315.36	-
- Investment in mutual fund - Current	-	6288.79	-
Trade receivables (Note 6)	-	-	6,012.87
Cash and cash equivalents (Note 6)	-	-	401.65
Other bank balance	-	-	16.36
Other financial assets	-	-	341.46
<b>Total Financial assets</b>	<b>350.21</b>	<b>13,614.42</b>	<b>7,357.13</b>

**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	-	6057.01	-
- Investment in mutual fund -Current	-	6960.18	-
Trade receivables	-	-	4,889.66
Cash and cash equivalents	-	-	227.80
Other bank balance	-	-	14.99
Other financial assets	-	-	302.09
<b>Total Financial assets</b>	<b>367.58</b>	<b>13,687.01</b>	<b>6,019.33</b>

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

For Fair value disclosures for financial assets and liabilities refer Note 25 and for fair value hierarchy disclosures for investment refer Note 26.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 7 : Other Non-Current / Current Assets**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Unsecured, Considered Good		
<b>Non-Current</b>		
Capital advances	12.00	-
	<b>12.00</b>	<b>-</b>
<b>Current</b>		
Advance to suppliers	104.43	421.55
Balance with Collector of Custom, Port Trust, Excise, GST, etc.	105.76	175.88
Claims Receivable from Government. Authorities	307.94	339.63
Other Advances	39.76	38.23
	557.89	975.29
<b>Total</b>	<b>569.89</b>	<b>975.29</b>

**Note 8 : Inventories (At lower of cost and Net realisable value)**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Raw materials and components	2,530.17	2,555.08
Work-in-progress	775.43	633.32
Finished goods	159.90	225.84
Finished goods in transit	459.62	4.46
Stock-in-trade	-	-
<b>Total</b>	<b>3,925.12</b>	<b>3,418.70</b>

**Note 9 : Non-current Tax Assets (Net)**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Non-current</b>		
Tax paid in Advance	1,658.70	3,611.94
<b>Less:</b>		
Provision for income tax	1,496.29	3,444.00
<b>Total</b>	<b>162.41</b>	<b>167.94</b>

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

## Note 10 : Share Capital

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Authorised Share Capital</b>		
10,000,000 Equity shares of ₹10 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Issued 57,68,386 Equity shares of ₹ 10 each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity shares of ₹ 10 each	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹ 10 each	-	-
<b>Total</b>	<b>576.84</b>	<b>576.84</b>

## 10.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(₹ in Lakh)

Particulars as at	31-March-2018		31-March-2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	<b>57.68</b>	576.84	<b>57.68</b>	576.84
Issued/Reduction, if any during the year		-		-
Outstanding at the end of the year	<b>57.68</b>	576.84	<b>57.68</b>	576.84

## 10.2. Rights preferences and Restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 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

Name of the Shareholder	31-March-2018		31-March-2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding
<b>a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- each fully paid up)</b>				
Elecon Engineering Company Limited	958,426	16.62	958,426	16.62
EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19
K. B. Investments Private Ltd.	487,015	8.44	487,015	8.44
Tamrock Great Britain Holdings Ltd.	1,447,875	25.10	1,447,875	25.10

### Note 11 : Other Equity

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Note 11.1 Reserves &amp; Surplus</b>		
<b>Capital reserve</b>		
Balance as per last Balance Sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	<b>2.91</b>	<b>2.91</b>
<b>Securities Premium Account</b>		
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	<b>753.83</b>	<b>753.83</b>
<b>General reserve</b>		
Balance as per last balance sheet	21,543.45	20,043.45
Add : Transfer from Profit & Loss account	900.00	1,500.00
	<b>22,443.45</b>	<b>21,543.45</b>
<b>Surplus in statement of profit and loss</b>		
Balance as per last Balance Sheet	5,285.87	4,729.57
Add: profit for the year	1,627.07	2,471.61
Add / (Less) Adjustment of Consolidation	-	(53.81)
Add / (Less): OCI for the year	16.49	(14.36)
	<b>6,929.43</b>	<b>7,133.01</b>
<b>Less: Appropriations :</b>		
Dividend on equity shares	288.42	288.42
Dividend distribution tax on dividend	58.72	58.72
Transfer to General Reserve	900.00	1,500.00
<b>Balance carried forward</b>	<b>5,682.29</b>	<b>5,285.87</b>
<b>Total</b>	<b>28,882.48</b>	<b>27,586.06</b>

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

## Note 11.2 Dividend distribution made and proposed

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Cash dividends on Equity shares declared and paid</b>		
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 dividend	58.72	58.72
<b>Total</b>	<b>347.14</b>	<b>347.14</b>
<b>Proposed dividends on Equity shares</b>		
Final dividend for the year ended 31-March-2018: ₹ 5 per share (31-March-2017: ₹ 5 per share)	288.42	288.42
Dividend distribution tax on final proposed dividend	59.29	58.72
<b>Total</b>	<b>347.71</b>	<b>347.14</b>

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-2018	31-March-2017
<b>Current</b>		
Trade payables	2,441.91	1,384.49
<b>Total</b>	<b>2,441.91</b>	<b>1,384.49</b>

## Note 12 (b) : Other Financial Liabilities

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Non-current interest bearing borrowing</b>		
<b>Secured</b>		
<b>Term Loan</b>		
From bank (Secured by hypothecation of vehicles)	61.78	-
<b>Total non-current borrowings</b>	<b>61.78</b>	<b>-</b>
<b>Current</b>		
Current maturities of long-term borrowings		
Security Deposits	36.23	36.23
Unpaid dividend	16.36	14.99
Payable in respect of capital goods	20.56	245.71
<b>Total current borrowings</b>	<b>73.15</b>	<b>296.93</b>
<b>Total</b>	<b>134.93</b>	<b>296.93</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 12 (c) : Financial Liabilities By Category**

(₹ in Lakh)

Particulars	FVTPL	Amortised cost
<b>31-March-2018</b>		
Borrowings		61.78
Trade payable	-	2,441.91
Other financial liabilities	-	134.93
<b>Total Financial liabilities</b>	<b>-</b>	<b>2,638.62</b>
<b>31-March-2017</b>		
Borrowings	-	-
Trade payable	-	1,384.49
Other financial liabilities	-	296.93
<b>Total Financial liabilities</b>	<b>-</b>	<b>1,681.42</b>

**12 (d) Borrowings**

(₹ in Lakh)

Lender	31-Mar-18	31-Mar-17	Interest Rate
HDFC Bank	61.78	-	11%

**Terms of Repayment**

Repayable on monthly instalment of ₹ 3.56 lakh starting from October 2017

For financial instruments risk management objectives and policies, refer Note 27

For fair value disclosures for financial assets and liabilities, refer Note 25 and fair value hierarchy disclosures for investments, refer Note 26.

**Note 13 : Provisions**

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Long-term</b>		
Provision for employee benefits (refer Note 24)		
Provision for Compensated Absences	85.70	86.73
	<b>85.70</b>	<b>86.73</b>
<b>Short-term</b>		
Provision for employee benefits (refer Note 24)		
Provision for Compensated Absences	34.21	30.15
Provision for warranty	139.36	169.94
	<b>173.57</b>	<b>200.09</b>
<b>Total</b>	<b>259.27</b>	<b>286.82</b>

A provision of ₹ 139.36 Lakh (F. Y. 2016-17 Rs. 169.94 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-2018	31-March-2017
As on 01st April	169.94	143.67
Addition during the year	139.36	169.94
Utilization during the year	67.35	74.46
Additional / Excess during the year	(102.59)	(69.21)
As on 31 <sup>st</sup> March	<b>139.36</b>	<b>169.94</b>

## Note 14 : Other Current / Non-Current Liabilities

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
<b>Current</b>		
Advance from Customers	146.29	36.00
Statutory & Other Liabilities	502.92	266.74
<b>Total</b>	<b>649.21</b>	<b>302.74</b>

## Note 15 : Revenue from Operations

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Sale of Products</b>		
Domestic Sales	13,988.30	18,422.76
Export Sales	172.96	58.05
	<b>14,161.26</b>	<b>18,480.81</b>
<b>Sale of Services</b>		
Sale of Services	13.50	4.68
	<b>13.50</b>	<b>4.68</b>
<b>Other operating revenue</b>		
Sale of Scrap	33.92	42.02
Windmill Electricity Income	7.87	13.01
	<b>41.79</b>	<b>55.03</b>
<b>Total</b>	<b>14,216.55</b>	<b>18,540.52</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 16 : Other Income**

(₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Other Income</b>		
Interest Income	44.06	76.19
Dividend Income	304.68	323.57
Profit on Sales of Assets (Net)	60.47	-
Rent Income	54.10	50.12
Gain on sale of investments	0.01	200.64
Gain on Fair valuation/Sale of Investment at FVTPL	459.90	609.07
Duty Draw Back Claim	2.53	1.10
Miscellaneous Income	34.63	87.78
<b>Total</b>	<b>960.38</b>	<b>1,348.47</b>

**Note 17 : Cost of raw materials and components consumed**

(₹ in Lakh)

<b>Particulars ( For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Inventory at the beginning of the year	2,555.08	2,225.30
Add : Purchases	5,564.73	5,909.60
	8,119.81	8,134.90
Less : Inventory at the end of the year	2,530.17	2,555.08
Cost of Raw material	5,589.64	5,579.82
<b>Total</b>	<b>5,589.64</b>	<b>5,579.82</b>

**Note 18 : Purchases of stock-in-trade**

(₹ in Lakh)

<b>Particulars ( For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Purchase of traded goods	2,142.77	2,740.94
<b>Total</b>	<b>2,142.77</b>	<b>2,740.94</b>

## 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-2018	31-March-2017
Inventory at the beginning of the year		
Stock-in-trade	-	-
Work-in-progress	633.32	867.46
Finished Goods	225.84	678.45
Finished goods in transit	4.46	-
<b>Total</b>	<b>863.62</b>	<b>1,545.91</b>
Inventory at the end of the year		
Stock-in-trade	-	-
Work-in-progress	775.43	633.32
Finished Goods	159.90	225.84
Finished goods in transit	459.62	4.46
<b>Total</b>	<b>1,394.95</b>	<b>863.62</b>
	<b>(531.33)</b>	<b>682.29</b>

**Note 20 : Manufacturing Expense and Erection Charges** (₹ in Lakh)

Particulars ( For the Year Ended)	31-March-2018	31-March-2017
Stores, Tools and Spares Consumed	202.63	229.18
Power and Fuel	15.92	7.97
<b>Total</b>	<b>218.55</b>	<b>237.15</b>

**Note 21 : Employee benefits expense** (₹ in Lakh)

Particulars ( For the Year Ended)	31-March-2018	31-March-2017
Salaries, Wages and Bonus	1,412.08	1,357.38
Contribution to Provident and other Funds	61.01	60.56
Employees' Welfare Expenses	35.18	40.81
Employees' Retirement Benefits	28.27	34.74
<b>Total</b>	<b>1,536.54</b>	<b>1,493.49</b>

**Note 22 : Finance costs** (₹ in Lakh)

Particulars ( For the Year Ended)	31-March-2018	31-March-2017
Interest Expense	3.81	0.09
Other Borrowing Costs	50.18	38.17
<b>Total</b>	<b>53.99</b>	<b>38.26</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 23 : Other expenses**

(₹ in Lakh)

<b>Particulars (For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Rent	60.79	95.68
Computer Software Charges	48.35	45.44
Rates & Taxes	94.56	100.60
Excise Duty (excluding Duty recovered from Customers)	(30.52)	(53.87)
Repairs and Maintenance :		
- Building	118.72	183.77
- Machinery	184.31	235.64
- Others	152.34	122.28
Insurance (Net of recoveries)	32.16	23.00
Travelling Expense	156.69	178.61
Directors' Fees	8.70	9.55
Commission to Non-Executive Directos	15.00	10.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	144.28	189.14
Commission & Brokerage	1,655.91	1,935.23
Warranty Claim Replacement (Refer Note No.13)	139.36	169.94
Bad Debts Written Off	63.24	-
Provision for Doubtful Debt / (Written Back)	(38.74)	65.61
Advertisements & Sales Promotion Expenses	9.79	8.20
Payment to Auditors (Refer Note Below)	7.72	4.67
Expendinture on Corporate Social Responsibility (Refer Note No.34)	51.72	54.00
Donations	4.00	100.06
Lease Rentals	17.02	46.12
Other Professional Consultancy Fees	136.50	200.18
General Administrative Charges	470.99	461.05
Loss on Sales of Assets (Net)	-	10.05
Loss on Account of Exchange Variation (Net)	12.58	4.04
<b>Total</b>	<b>3,515.47</b>	<b>4,198.99</b>

**Payment to Auditors (Net of service tax)**

(₹ in Lakh)

<b>Particulars ( For the Year Ended)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
A. Statutory Auditors		
As Auditors		
Audit fees	3.60	1.51
Taxation matters	0.50	-
Limited review fees	0.71	0.75
Certification fees	1.08	0.95
Reimbursement of expenses	1.83	1.46
<b>Total</b>	<b>7.72</b>	<b>4.67</b>

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

**Research and Development Expenses** (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
Cost of material consumed	66.68	159.09
Salaries, Wages and Bonus	192.53	182.11
Contribution to Provident and other Funds	16.78	11.63
Travelling, conveyance and other expenses	36.27	24.80
<b>Total</b>	<b>312.26</b>	<b>377.63</b>

**Note 24 : Income tax**

The major component of income tax expense for the years ended 31-March-2018 and 31-March-2017 are :

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Statement of Profit and Loss</b>		
<b>Current Tax</b>		
Current Income Tax	375.16	637.00
Adjustment in respect of current tax of previous years	(9.13)	8.62
	366.03	645.62
<b>Deferred Tax</b>		
Relating to origination and reversal or temporary difference	(66.83)	(175.53)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>299.20</b>	<b>470.09</b>

**OCI Section** (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Statement to Other comprehensive income (OCI)</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
Net loss/(gain) on actuarial gains and losses	8.73	(7.60)
<b>Deferred tax charged to OCI</b>	<b>8.73</b>	<b>(7.60)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March-2018 and 31-March-2017.

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

### A) Current Tax

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2018	31-March-2017
<b>Accounting profit before tax from continuing operations</b>	1,943.64	2,979.19
Tax @ 34.608% (31-March-2017: 34.608%)	672.65	1,031.04
<b>Adjustment</b>		
In respect of additional allowance for R & D expense	(54.03)	(130.69)
In respect of Exempted income	(283.17)	(186.95)
In respect of Expense disallowed/(Allowed)	5.15	10.81
In respect of standard deduction on rent income	(4.57)	(4.46)
In respect of t profit on sale of assets	(20.93)	-
In respect of tax rate difference on profit on sale of investment	(15.90)	(249.66)
<b>At the effective income tax rate of 15.39% (31-March-2017 : 15.78%)</b>	<b>299.20</b>	<b>470.09</b>

### B) Deferred tax

(₹ in Lakh)

Particulars ( For the Year Ended)	Balance Sheet		Statement of Profit and Loss	
	31-March-2018	31-March-2017	31-March-2018	31-March-2017
Depreciation difference	838.04	880.48	(42.45)	(68.82)
Disallowances u/s 43 B of Income Tax Act	(129.76)	(127.92)	(1.84)	(17.27)
Provision for Doubtful debts & advances	(36.12)	(22.71)	(13.41)	(22.71)
On Unrealised gain on fairvaluation of investment	180.97	190.10	(9.13)	(66.73)
Deferred tax expense/(income) accounted through other comprehensive income	1.13	(7.60)	8.73	(7.60)
<b>Deferred tax expense/(income)</b>	<b>-</b>	<b>-</b>	<b>(58.10)</b>	<b>(183.13)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>854.26</b>	<b>912.35</b>	<b>-</b>	<b>-</b>
Reflected in the balance sheet as follows				
Deferred tax assets	(165.88)	(150.63)	-	-
Deferred tax liabilities	1,020.14	1,062.98	-	-
<b>Deferred tax liabilities (net)</b>	<b>854.26</b>	<b>912.35</b>	<b>-</b>	<b>-</b>

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 related to income taxes levied by the same tax authority.

During the year ended 31-March-2018 and 31-March-2017, 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-2018	31-March-2017	31-March-2018	31-March-2017
<b>Financial assets</b>				
Investments measured at fair value through profit or loss	13,614.39	13,686.98	13,614.39	13,686.98
Investments measured at amortised cost	584.79	584.79	619.39	624.97
<b>Total</b>	<b>14,199.18</b>	<b>14,271.77</b>	<b>14,233.78</b>	<b>14,311.95</b>

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-2018 and 31-March-2017**

(₹ in Lakh)

Particulars as at	Date of valuation	Fair value measurement using			
		Total	"Quoted prices in active markets (Level 1)"	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
<b>As at 31-March-2018</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Profit and Loss</b>					
Investment in Equity shares, quoted	31-March-2018	10.24	10.24	-	-
Investment in Mutual fund -unquoted	31-March-2018	13,604.15		13,604.15	-
<b>Assets for which fair values are disclosed</b>					
Investment in Bonds, quoted	31-March-2018	584.79	584.79	-	-
Investment property	31-March-2018	1,003.67	-	-	1,003.67





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

(₹ in Lakh)

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 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 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-2018, and 31-March 2017, 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 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 currency 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 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.

The ageing analysis of trade receivables as of the reporting date is as follow: (₹ in Lakh)

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-2018	4,376.23	1231.90	154.12	48.50	202.12	6012.87
31-March-2017	3419.85	947.96	212.63	178.18	131.04	4889.66

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-2018 and 31-March-2017 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**

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

(₹ in Lakh)

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
<b>Year ended 31-March-2018</b>						
Trade payables	-	1,203.71	1,238.20	-	-	-
Other financial liabilities	52.59	-	-	-	-	-
Payable for capital goods	-	-	20.56	-	-	-
Term Loan from Bank	-	3.02	9.24	25.92	23.60	-
	<b>52.59</b>	<b>1,206.73</b>	<b>1,268.00</b>	<b>25.92</b>	<b>23.60</b>	<b>-</b>
<b>Year ended 31-March-2017</b>						
Trade payables	-	48.49	1,336.00	-	-	-
Other financial liabilities	-	-	-	-	-	-
Payable for capital goods	51.22	-	245.74	-	-	-
	<b>51.22</b>	<b>48.49</b>	<b>1,581.74</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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-2018	31-March-2017
Trade and other payables (Note 12 & 14)	3,226.05	1,984.16
Less: cash and cash equivalent (including other bank balance) (Note6)	(418.01)	(242.79)
<b>Net Debt</b>	<b>2,808.04</b>	<b>1,741.37</b>
Equity share capital (Note 10)	576.84	576.84
Other equity (Note 11)	28,882.48	27,586.06
<b>Total Capital</b>	<b>29,459.32</b>	<b>28,162.90</b>
<b>Capital and Net Debt</b>	<b>32,267.36</b>	<b>29,904.27</b>
<b>Gearing Ratio</b>	<b>9%</b>	<b>6%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2018 and 31-March-2017.

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

### Note 29 : Contingent Liabilities

(₹ in Lakh)

Particulars (As at)	31-March-2018	31-March-2017
<b>Contingent liabilities not provided for</b>		
a. Guarantee given by the Company on behalf of Elecon Engineering Co. Ltd.	-	2,426.39
b. Guarantees issued by Banks	1,969.57	1,761.38
c. Income tax demands disputed by the Company	3.17	20.62
d. Sales tax demands disputed by the Company	154.97	132.38
e. Excise & Service tax demands disputed by the Company	1,945.26	1,968.17

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-2018	31-March-2017
<b>Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	100.47	403.62
<b>Other commitments</b>	-	-

### Note 31 : Disclosure pursuant to Employee benefits

#### A. Defined contribution plans:

Amount of ₹ 72.32 Lakh. (31-March-2017: ₹ 74.12 Lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakh)

Particulars as at	31-March-2018	31-March-2017
Provident Fund	61.01	60.56
Superannuation Fund	11.31	13.56
	<b>72.32</b>	<b>74.12</b>

#### B. Defined benefit plan:

The Company has following post employment benefit which is in the nature of defined benefit plan:

##### (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-2018 : 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								31-March-2018
	1-April-2017	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Asset Transfer In/ Transfer Out	
Gratuity												
	Defined benefit obligation	376.10	17.24	27.34	44.58	(25.68)		(10.94)	(15.35)	(26.29)	-0.55	368.16
	Fair value of plan assets	372.27		27.07	27.07	(25.68)	(1.08)			(1.08)	0.00	380.94
	Benefit liability	3.83	17.24	0.27	17.51	-	1.08	-	(10.94)	(15.35)	(25.21)	(0.55)
Total benefit liability	3.83	17.24	0.27	17.51	-	1.08	-	(10.94)	(15.35)	(25.21)	(0.55)	(12.78)

## 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								31-March-2017		
	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Asset Transfer In/Transfer Out		Contributions by employer	
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 / (assets)	(14.49)	15.60	(1.14)	14.46	0.00	3.34	0.00	10.86	7.76	21.96	7.48	(25.59)	3.83
	Total benefit liability/(assets)	(14.49)	15.60	(1.14)	14.46	-	3.34	-	10.86	7.76	21.96	7.48	(25.59)	3.83

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-2018 (%) of total plan assets	Year ended 31-March-2017 (%) of total plan assets
Insured fund	100%	100%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

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

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

<b>Particulars (As at)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
Discount rate	7.88%	7.27%
Future salary increase	7.00%	7.00%
Expected rate of return on plan assets	7.88%	7.27%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)

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

<b>Gratuity</b>		<b>(₹ in Lakh)</b>	
		<b>(increase) / decrease in defined benefit obligation (Impact)</b>	
<b>Particulars (As at)</b>	<b>Sensitivity Level</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Gratuity</b>			
Discount rate	1% increase	(16.20)	(17.94)
	1% decrease	18.41	20.43
Salary increase	1% increase	18.39	20.29
	1% decrease	(16.47)	(18.15)
Attrition rate	1% increase	9.07	0.15
	1% decrease	(1.03)	(0.19)

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

<b>Particulars (As at)</b>	<b>31-March-2018</b>	<b>31-March-2017</b>
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	119.30	105.08
Between 2 and 5 years	102.66	113.15
Beyond 5 years	172.49	186.70
<b>Total Expected Payments</b>	<b>394.45</b>	<b>404.93</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Weighted average duration of defined plan obligation (based on discounted cash flows)**

Particulars (As at)	31-March-2018	31-March-2017
Gratuity	12	13

The followings are the expected contributions to planned assets for the next year: (₹ in Lakh)

Particulars (As at)	31-March-2018	31-March-2017
Gratuity	3.07	21.07

**C. Other Long Term Employee Benefit Plans**

Leave encashment / Compensated absences

Salaries, Wages and Bonus include ₹16.74 Lakh (Previous Year ₹ 37.19 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/<br>significant influence      | Shri P. B. Patel<br>Elecon Engineering Company Ltd.  |
| c. | Key Management Personnel  | <b>Directors</b><br>Shri M. G. Rao<br>Shri P. B. Patel<br>Shri P. M. Patel<br>Shri P. C. Amin<br>Shri Nirmal Bhogilal<br>Shri Nalin M. Shah<br>Smt. Manjuladevi Shroff<br>Ms. Reena Bhagwati<br><br><b>Executive Officers</b><br>Shri N. D. Shelat<br>Smt. B. L. Isarani |
| d. | Enterprises over which (b) or (c) above<br>have significant influence | EMTICI Engineering Ltd.<br>Prayas Engineering Ltd.<br>Power Build Pvt. Ltd.<br>Elecon Information Technology Ltd.<br>Madhubhan Prayas Resorts Ltd.<br>Akaaish Mechatronics Ltd.<br>Speciality Woodpack Pvt. Ltd.   |



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

Elecon Peripherals Ltd.  
 Bipra Investments & Trusts Private Ltd.  
 Devkishan Investments Pvt. Ltd.  
 K. B. Investment Private Ltd.  
 Aishpra Properties Pvt. Ltd.  
 Akaaipra Infracon Pvt. Ltd.  
 BIP Buildcon Pvt. Ltd.  
 Jamco 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  
 (Netherlands)  
 Banzler Transmission A.S (Denmark)  
 Benzler Andtriebstechnik GmbH, Germany  
 OY Benzler AB ( Finland )  
 Radicon Transmission ( Thailand ) Ltd.  
 Radicon Transmission System ( Thailand ) Ltd.  
 Radicon Transmission (Australia) Pty. Ltd.  
 Desmin Agencies  
 United Marketing  
 Expert Energy System-LLP  
 Sandvik AB Sweden  
 Tamrock Great Britain Holdings Ltd.

e Collaborators

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-2018	31-March-2017
<b>Purchase of Material</b>		
Elecon Engineering Company Ltd.	441.69	601.37
Power Build Pvt. Ltd.	0.89	1.70
Speciality Woodpack Pvt Ltd.	22.05	16.50

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

(₹ in Lakh)

Eimco Elecon Electricals Ltd.	141.86	95.39
Elecon Peripherals Ltd.	11.19	6.69
Elecon Hydraulics Pvt. Ltd.	39.78	48.74
<b>Job work Income</b>		
Elecon Engineering Company Ltd.	14.23	2.35
Power Build Pvt. Ltd	0.71	-
<b>Job work Expenses</b>		
Elecon Engineering Company Ltd.	10.55	2.03
<b>Sale of Finished Goods, Consumables &amp; Scrap</b>		
Elecon Engineering Company Ltd.	19.57	25.69
Speciality Woodpack Pvt. Ltd.	1.55	1.95
Eimco Elecon Electricals Ltd.	0.18	0.24
Elecon Hydraulics Pvt. Ltd.	5.07	13.31
Vijay M. Mistry Construction Pvt. Ltd.	23.34	0.41
<b>Purchase of Fixed Assets</b>		
Elecon Engineering Company Ltd.	1,012.32	-
Tech Elecon Pvt Ltd	249.51	248.75
Devkishan Investments Pvt. Ltd.	88.82	-
<b>Sale of Fixed Assets</b>		
Elecon Engineering Company Ltd.	17.96	1.09
Eimco Elecon Electricals Ltd.		
<b>Sale of Investment</b>		
Elecon Peripheral Pvt. Ltd.	-	80.20
EMTICI Engineering Ltd.	-	131.55
<b>Expenses Charged to</b>		
Elecon Engineering Company Ltd.	5.54	5.02
<b>Expenses Charged by</b>		
Elecon Engineering Company Ltd.	15.09	55.02
Speciality Woodpack Pvt. Ltd.	14.55	13.62
Elecon Information Technology Ltd.	11.70	11.46
Akaaish Mechatronics Ltd.	158.56	130.88
EMTICI Engineering Ltd.	68.65	58.13
Wizard Fincap Ltd.	15.32	17.33
Madhubhan Resort & Spa	-	6.23
Tech Elecon Pvt. Ltd.	101.62	80.52
Devkishan Investments Pvt. Ltd.	25.43	41.92
<b>Sales Commission</b>		
EMTICI Engineering Ltd.	1,483.99	1,635.09
<b>Reimbursement of Expense paid / payable</b>		
Elecon Engineering Company Ltd.	15.78	17.36

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

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2018	31-March-2017
<b>Reimbursement of Expense Received / Receivables</b>		
Elecon Engineering Company Ltd.	0.92	-
Power Build Pvt. Ltd	1.03	-
<b>Remuneration to Key Management Persons</b>		
<b>Directors</b>		
M. G. Rao	94.37	90.99
P. B. Patel	62.88	3.17
P. M. Patel	4.83	5.10
P. C. Amin	3.75	3.75
Nirmal Bhogilal	4.00	4.55
Nalin M. Shah	4.58	4.72
Manjuladevi Shroff	3.55	3.25
Reena Bhagwati	3.00	-
H. S. Parikh	-	3.18
<b>Executive Officers</b>		
N. D. Shelat	30.48	22.81
B. L. Isarani	11.12	7.60
<b>Dividend Paid</b>		
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
<b>Guarantees and Collaterals given</b>		
Elecon Engineering Company Ltd. (Up to 30.11.2017)	2,604.00	2,426.39

**c. Balance as at year end :**

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2018	31-March-2017
<b>Outstanding Payables :</b>		
<b>(a) Associate</b>		
Eimco Elecon Electricals Ltd.	37.49	14.67

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

(₹ in Lakh)

<b>(b) Individual/Enterprise having control/significant influence</b>		
Elecon Engineering Company Ltd.	41.24	22.67
<b>(c) Key Management Personnel</b>		
Shri M. G. Rao	5.00	5.00
<b>(d) Enterprises over which (b) or (c) above have significant influence</b>		
Elecon Peripherals Ltd.	0.18	2.95
EMTICI Engineering Ltd.	537.88	282.22
Elecon Information Technology Ltd.	-	2.58
Akaaish Mechatronics Ltd.	1.37	0.42
Speciality Woodpack Pvt. Ltd.	6.14	5.45
Power Build Pvt. Ltd.	0.89	-
Elecon Hydraulics Pvt. Ltd.	52.79	236.55
Tech Elecon Pvt. Ltd.	0.35	33.33
Wizard Fincap Ltd.	1.18	0.77
Devkishan Investment Pvt. Ltd.	1.85	-
<b>Outstanding Receivables :</b>		
<b>(a) Associate</b>		
Eimco Elecon Electricals Ltd.	-	-
<b>(b) Individual/Enterprise having control significant influence</b>		
Elecon Engineering Company Ltd.	23.09	80.52
<b>(c) Enterprises over which (b) or (c) above have significant influence</b>		
Speciality Woodpack Pvt. Ltd.	0.35	-
EMTICI Engineering Ltd.	0.10	0.10
Power Build Pvt. Ltd.	0.86	
Elecon Hydraulics Pvt. Ltd.	18.38	13.31
Vijay M. Mistry Construction Pvt. Ltd.	-	-0.07
<b>(d) Collaborators:</b>		
Sandvik Asia Pvt Ltd.	-	-3.20
<b>Investment:</b>		
<b>(a) Associates</b>		
Eimco Elecon Electricals Ltd.	51.00	51.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****c. 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.

**d. Commitments with related parties**

The Company has not provided any commitment to the related party as at 31-March-2018, (31-March-2017: ₹ Nil)

**e. Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakhs)

Particulars	2017-18	2016-17
Short-term employee benefits	198.85	124.57
Post employment benefits	11.32	7.73
Other long-term employment benefits	-	-
<b>Total compensation paid to key management personnel</b>	<b>210.17</b>	<b>132.30</b>

**Note 33 : Earning per share**

(₹ in Lakhs except EPS)

Particulars	2017-18	2016-17
<b>Earning per Share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	1,627.07	2,471.61
Total No. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
<b>Weighted average number of equity shares</b>		
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	28.21	42.85
Diluted earning per share	28.21	42.85

**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: (₹ in Lakh)

		Year Ended					
		31-March-2018			31-March-2017		
		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	51.72	-	51.72	54.00	-	54.00
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-



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

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

Part "B" : Associates and Joint Ventures										
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures										
Sr. No.	Name of Associates/ Joint Ventures	1. Latest Audited Balance Sheet Date	2. Shares of Associate/Joint Venture held by company on the year end	3. Description of how there is significant influence	4. Reason why the associate/ joint venture is not consolidated	5. Networth attributable to shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year			
							i. Considered in Consolidation			ii. Not considered in Consolidation
1	Eimco Elecon Electricals Ltd. (Associate)	31-03-2018	510000	51.00	47.62	N.A.	In view of MCA Notification dtd. 14-10-2014, exemption granted from consolidation.	350.21	(17.37) -	

₹ In lakh

**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

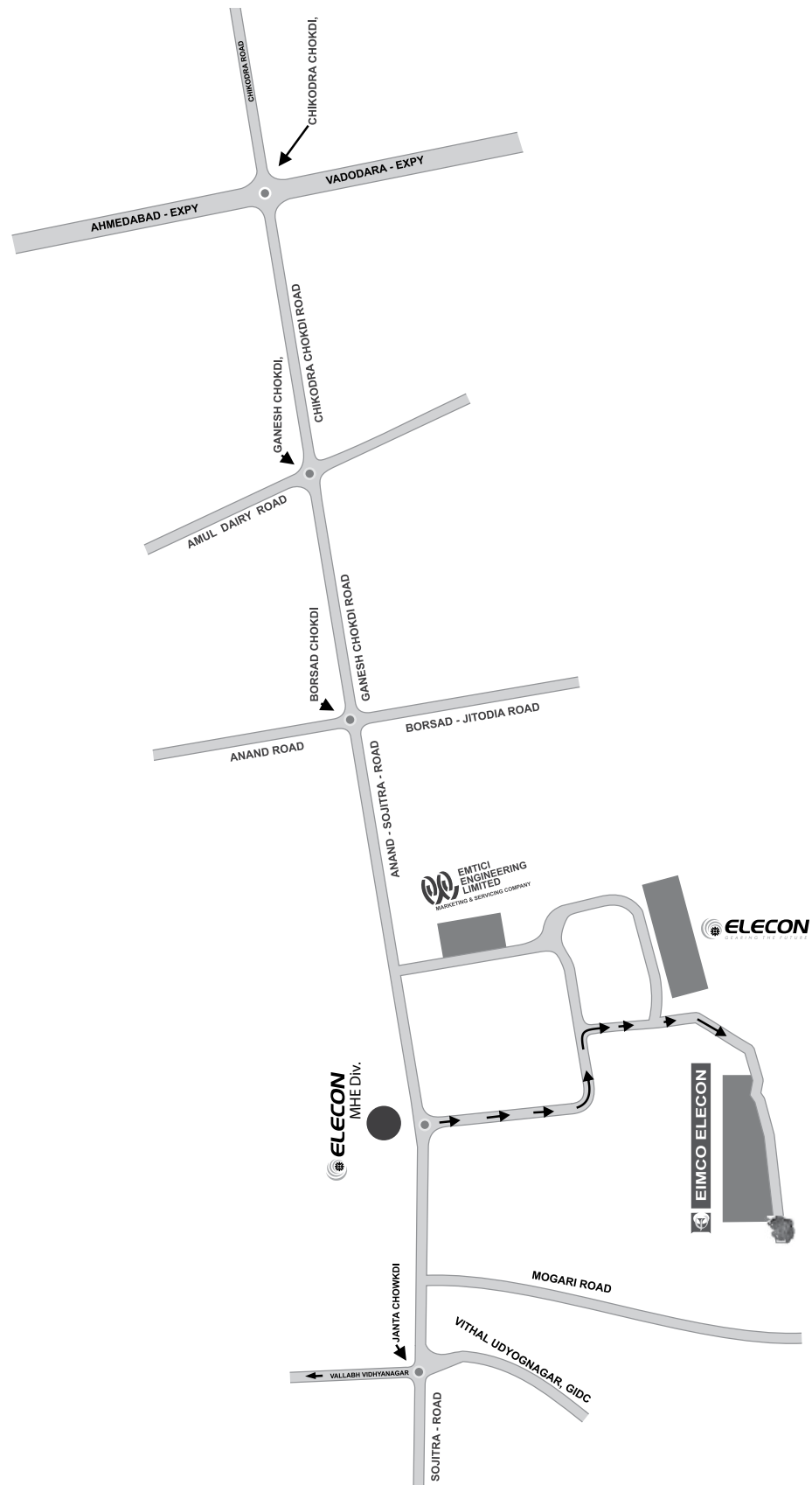
**Shri P. C. Amin**  
Director

**Shri N. D. Shelat**  
Chief Financial Officer

**Smt. B. L. Isarani**  
Company Secretary

Place : Vallabh Vidyavanagar  
Date : 3<sup>rd</sup> May, 2018

Route map to the venue of the AGM





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

**ATTENDANCE SLIP**  
44<sup>th</sup> ANNUAL GENERAL MEETING  
on Tuesday  
31<sup>st</sup> July, 2018  
at 03.00 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  
44<sup>th</sup> Annual General Meeting

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

Signature of Member/Proxy

**FORM NO. MGT-11**  
**Proxy Form**

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

CIN : L29199GJ1974PLC002574  
Name of the Company : Eimco Elecon (India) Ltd.  
Regd. Office : Anand-Sojitra Road, Vallabh Vidyanagar, Dist. Anand, Gujarat.

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

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

- Name :  
Address :  
Email ID : Signature :..... or failing him
- Name :  
Address :  
Email ID : Signature :..... or failing him
- 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 44<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 31<sup>st</sup> July, 2018 at 03.00 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 :

- To adopt the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018 alongwith the Reports of the Board of Directors and Auditors thereon.
- To declare the Dividend for the Financial Year ended on 31<sup>st</sup> March, 2018.
- To appoint a Director in place of Shri P. C. Amin, who retires by rotation and being eligible, offers himself for re-appointment.
- To ratify the 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.
- To ratify the remuneration to M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for F.Y. 2018-19.
- To approve agreement with EMTICI Engineering Limited.
- To approve the remuneration paid to Shri M. G. Rao, Wholtime Director, for F.Y. 2017-18, which exceeded 5% of the Net Profit as per Section 198 of the Companies Act, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of shareholder(s) : \_\_\_\_\_

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

Affix  
Revenue  
Stamp

- Notes :**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 44<sup>th</sup> Annual General Meeting.

**BOOK - POST**

**IF UNDELIVERED PLEASE RETURN TO :**

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