ELECON
GEARING THE FUTURE

ISO 14001:2015
OHSAS 18001:2007
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105017019

Date: 23rd August, 2019

To,

The Manager (Listing), **The BSE Ltd.** **Mumbai**	The Manager (Listing), **National Stock Exchange of India Ltd.** **Mumbai**
Company's Scrip Code: 505700	Company's Scrip Code: ELECON

Sub : 59th Annual Report of the Company for the Financial Year 2018-19

Ref : Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred Regulation, we hereby submit the 59th Annual Report of Elecon Engineering Company Limited for the Financial Year 2018-19, to be approved and adopted in the 59th Annual General Meeting of the Company to be convened on Tuesday, 17th September, 2019.

You are requested to kindly take the same on your records.

Thanking You.

Yours faithfully,
For Elecon Engineering Company Limited,

ELECON ENGINEERING COMPANY LIMITED
VALLABH VIDYANAGAR

Bharti Isarani
Company Secretary

Encl.: As Above



Gearing industries. Gearing economies.

59th ANNUAL REPORT 2018-19

ELECON
GEARING THE FUTURE

STANDING WITH THE NATION





About Cover

Elecon Engineering Company Limited is a name, which is synonymous with persistent leadership in the power transmission and material handling industry. As the largest manufacturer of Industrial gears in Asia, Elecon continues to relentlessly deliver performance year on year, with an eye on the future.

Over six decades ago, Elecon began its legendary journey as the pioneer of Industrial Gear manufacturing industry and also ventured into the niche Material Handling Equipment segment. Today, Elecon stands as an attestation to the hard work and vision of its founding fathers and their successors. Since its inception, Elecon's prime focus has remained on engineering innovation, research and development. Elecon has been a key supplier, providing support to key growth sectors of the nation such as fertilizers, cement, coal, power, mining, chemical, steel, port-mechanization, minerals & metals processing sectors.

Elecon's engineering excellence can be adjudged by repeat contracts with the Indian Navy, ISRO and several other giants to meet their power transmission requirements. As a part of Elecon, the Material Handling Division has thrived and has several distinct credits to its name in the country.

As an organizational prophecy, Elecon has monumentally contributed to the growth of the nation, and continues to do so. Not just in terms of offering employment and contributing to nation's GDP, Elecon has been a visionary organization that takes on its CSR as a priority and reaches out to the society through its social welfare initiatives.

In the time of great sorrow, when the entire nation was standing as one for the CRPF martyrs of Pulwama tragedy, Elecon strongly condemned the cowardly act and came forward for the support of affected families. Elecon stands together with the nation and the families of martyrs, with optimism for a progressive society, free from terror and hatred.

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Board of Directors



Shri Prayasvin B. Patel - Chairman & Managing Director



Shri Prashant C. Amin
-Executive Director



Shri Pradip M. Patel



Shri Chirayu R. Amin



Shri Jal R. Patel



Shri Jai S. Diwanji



Dr. Sonal V. Ambani

Chief Financial Officer
Shri Kamlesh Shah

Company Secretary
Smt. Bharti Isarani

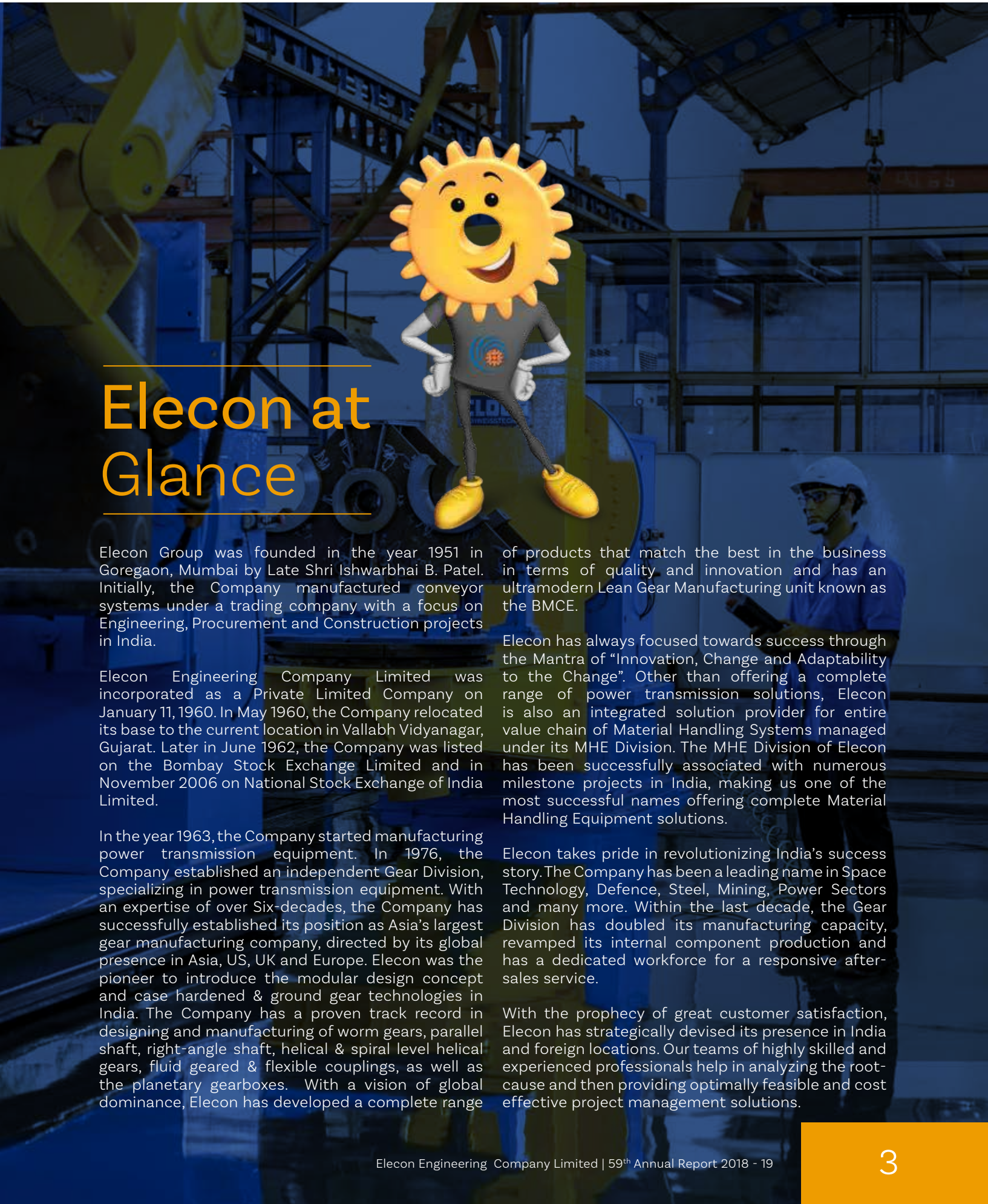
Auditors
B S R & Co. LLP, Chartered Accountants

Bankers
State Bank of India
Bank of Baroda
Axis Bank Limited
HDFC Bank Limited
IDBI Bank Limited

R & T Agent
Link Intime India Private Limited

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

Elecon at Glance



Elecon Group was founded in the year 1951 in Goregaon, Mumbai by Late Shri Ishwarbhai B. Patel. Initially, the Company manufactured conveyor systems under a trading company with a focus on Engineering, Procurement and Construction projects in India.

Elecon Engineering Company Limited was incorporated as a Private Limited Company on January 11, 1960. In May 1960, the Company relocated its base to the current location in Vallabh Vidyanagar, Gujarat. Later in June 1962, the Company was listed on the Bombay Stock Exchange Limited and in November 2006 on National Stock Exchange of India Limited.

In the year 1963, the Company started manufacturing power transmission equipment. In 1976, the Company established an independent Gear Division, specializing in power transmission equipment. With an expertise of over Six-decades, the Company has successfully established its position as Asia's largest gear manufacturing company, directed by its global presence in Asia, US, UK and Europe. Elecon was the pioneer to introduce the modular design concept and case hardened & ground gear technologies in India. The Company has a proven track record in designing and manufacturing of worm gears, parallel shaft, right-angle shaft, helical & spiral level helical gears, fluid geared & flexible couplings, as well as the planetary gearboxes. With a vision of global dominance, Elecon has developed a complete range of products that match the best in the business in terms of quality and innovation and has an ultramodern Lean Gear Manufacturing unit known as the BMCE.

Elecon has always focused towards success through the Mantra of "Innovation, Change and Adaptability to the Change". Other than offering a complete range of power transmission solutions, Elecon is also an integrated solution provider for entire value chain of Material Handling Systems managed under its MHE Division. The MHE Division of Elecon has been successfully associated with numerous milestone projects in India, making us one of the most successful names offering complete Material Handling Equipment solutions.

Elecon takes pride in revolutionizing India's success story. The Company has been a leading name in Space Technology, Defence, Steel, Mining, Power Sectors and many more. Within the last decade, the Gear Division has doubled its manufacturing capacity, revamped its internal component production and has a dedicated workforce for a responsive after-sales service.

With the prophecy of great customer satisfaction, Elecon has strategically devised its presence in India and foreign locations. Our teams of highly skilled and experienced professionals help in analyzing the root-cause and then providing optimally feasible and cost effective project management solutions.

Five Years at a Glance

Particulars	2018-19 #				2017-18 #		2016-17 #		2015-16		2014-15	
	Consolidated		Standalone		Consol-idated	Stand-alone	Consoli-dated	Stand-alone	Consoli-dated	Stand-alone	Consoli-dated	Stand-alone
	US $ Mn.	₹ Mn.	US $ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.
TURNOVER	176.8	12,231	137.9	9,537	11,897	9,195	12,747	9,965	13,655	10,647	13,289	5,032
TOTAL INCOME	186.6	12,904	141.3	9,775	11,952	9,301	12,832	10,043	13,952	10,960	13,455	5,259
EARNING BEFORE DEPRECIATION, INTEREST & TAX	20.5	1,418	16.2	1,118	1,160	1,006	1,640	1,558	1,638	1,424	1,698	1,065
DEPRECIATION & AMORTISATION EXPENSES	6.9	479	6.3	436	529	481	532	481	621	557	716	516
PROFIT AFTER TAX & MINORITY INTEREST	10.1	701	1.7	121	76	81	108	211	374	365	163	332
EQUITY DIVIDEND	0.3	22	0.3	22	22	22	56	56	120	120	120	120
DIVIDEND%	-	-		10%	-	10%	-	25%	-	55%	-	55%
EQUITY SHARE CAPITAL	3.2	224	3.2	224	224	224	224	224	218	218	218	218
RESERVE & SURPLUS	107.8	7,456	103.7	7,176	6,865	7,083	6,874	7,069	6,825	7,016	5,138	4,886
NET WORTH	107.8	7,456	106.1	7,336	5,878	7,252	6,066	7,223	5,911	7,155	5,356	5,104
GROSS FIXED ASSETS	133.9	9,262	127.8	8,843	9,717	8,798	9,385	8,769	9,177	8,651	9,270	6,325
NET FIXED ASSETS	98.0	6,777	97.1	6,714	7,101	7,080	7,553	7,496	7,862	7,825	4,743	3,356
TOTAL ASSETS	313.6	21,695	281.5	19,471	21,675	19,547	20,944	18,587	22,061	19,759	19,676	10,556
NUMBER OF EMPLOYEES(Nos.)				788		774		1,143		1,244		638
KEY INDICATORS	US $		US $									
BASIC EARNINGS PER SHARE (₹)	0.09	6.25	0.02	1.08	0.67	0.72	0.96	1.88	3.33	3.25	1.50	3.05
DEBT EQUITY RATIO												
(TOTAL DEBT:EQUITY)	-	0.71	-	0.65	0.83	0.68	0.82	0.63	0.79	0.79	1.03	0.49
EBIDTA*/ TURNOVER %	-	11.59	-	11.72	9.75	10.94	12.87	15.64	12.00	13.37	12.77	21.16
NET PROFIT MARGIN%	-	5.73	-	1.27	0.64	0.88	0.84	2.11	2.74	3.43	1.23	6.60
RETURN ON NET WORTH%	-	9.40	-	1.65	1.29	1.11	1.77	2.92	6.32	5.10	3.05	6.50
RETURN ON CAPITAL EMPLOYED%	-	0.51	-	0.96	0.06	0.64	0.83	1.72	2.82	4.94	1.52	4.30

#Financial details of FY 19, FY 18, FY 17 & FY 16 are as per IND AS and FY 15, FY 14, are as per Revised Schedule VI format.

Exchange Rate: 1 US$ = ₹ 69.1713 (as on 31-3-2019)

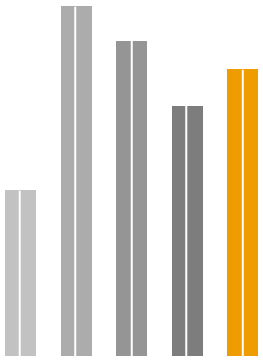
Figures are rounded of to nearest US $ Mn./ ₹in Mn.

Performance Indicators



Net Sales

₹ in Mn.



2015 - 2019

3.72%

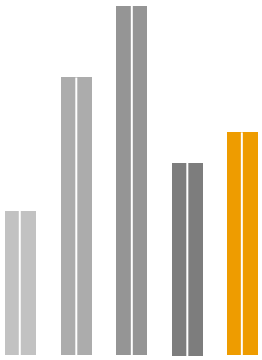
Increase from 2018

₹ 9,537	2019*
₹ 9,195	2018*
₹ 9,965	2017*
₹ 10,647	2016*
₹ 5,032	2015



EBIDTA

₹ in Mn.



2015 - 2019

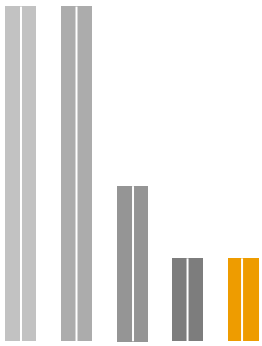
2.20%

Increase from 2018

₹ 1,118	2019*
₹ 1,094	2018*
₹ 1,558	2017*
₹ 1,424	2016*
₹ 1,065	2015

Dividend

in %



2015 - 2019

10%	2019
10%	2018
25%	2017
55%	2016
55%	2015

*Change because of Scheme of Amalgamation.

Management Insight



The performance in fiscal 2019 has been relatively healthy with improvement in both Gear and MHE division owing to both external factors and internal strategic initiatives and cost control measures. Initiatives taken to bring MHE division on profitable path have started showing effect in positive direction and we expect to continue on the improvement path. Additionally, improved performance of our subsidiaries added to the growth momentum. Led by improvement in the overall economy, we saw sustained order inflow from our end segments like steel, sugar, fertilizer and cement sector. We continue to focus on strategies to create long-term value for shareholders and in this regard, reduction of debt, recovery of old receivables and streamlining existing operations continues to be the key focus of the Management. We are witnessing gradual improvement in activity in the manufacturing sector and overall demand scenario looked encouraging. We remain positive on the Company's growth prospects and are confident of continuing with the improved performance in the future.

Prayasvin Patel - Chairman & Managing Director



The Company managed to get back into growth path on the back of improved performance from both Gear and MHE divisions. During the fiscal year, the Company witnessed healthy order inflow amid increasing industrial activity. Our focus on profitable product business in the MHE division has paid rich dividends leading to improved profitability and expansion in the margins. In order to make the organization more tax efficient, we started the process of restructuring the entire foreign operation. We saw significant improvement in the performance of our overseas subsidiaries led by various initiatives taken by the management as well as supportive external environment. Further, we are concentrating on debt reduction to make the Company leaner and focussing on receivables management. We continue to focus on improving our execution capabilities and streamlining our processes and remain optimistic on the long-term prospects of the Company.

Prashant Amin - Executive Director



Our performance improved significantly as compared to the preceding year in terms of both the top line and the bottom line. We placed significant focus on improving collections and identified receivables management as one of the top priorities. During the fiscal year, the management undertook organizational restructuring, enhancing execution capabilities, cost optimization initiatives and improving receivables management with a view to enhance overall shareholder value. The performance of MHE division has improved on the back of strategic initiative undertaken by the management. Moreover, we saw improved performance from our overseas subsidiaries resulting in overall healthy performance at the group level. We are witnessing pick up in the economy resulting in a healthy order book. Our focus has been on streamlining our processes and improving overall profitability. We expect the strong growth momentum to continue going forward and remain positive on the growth outlook.

Kamlesh Shah - Chief Financial Officer



Pietro Carnaghi

Vertical Turning Lathe Up to 2000mm Dia

Corporate Social Responsibility





"Only a life lived for others is worth living." - Albert Einstein

Elecon engineering company limited has been an organization that marches forward with a vision of philanthropy since its inception days. Elecon Group of Companies takes on its CSR largely through two dedicated wings; namely El-Care and Elecon Ladies Forum (ELF) under M/s. B. I. Patel Charitable Trust. Guided under the able leadership of Mr. Prayasvin Patel (Group CMD) and Mrs. Taruna Patel (CEO - Emtici Engineering), Elecon benevolently participates towards the betterment of society through several small and large initiatives. Mr. Prayasvin Patel has been honoured with 'Charotar Ratna' award for the organisation's devout commitment in serving the local area.

Find below CSR activities highlights carried out by Elecon Group.

ENVIRONMENT

As the leaders in the realm of industrial gear engineering, Elecon initiates sustainability drives sensitizing the employees and locals to care for the environment. Not only our product ranges comply with non-polluting standards, Elecon is also adopting Green building model systems into the organization & maintains three public gardens in Anand.

To further help sustain the ecosystem, ELF along with Madhubhan Organic Farm rolled out an innovative seed balls' campaign. These seed balls were made by a group of underprivileged women, thereby, empowering them by offering employment. The seed balls will then be dispersed at the time just before monsoon, or depending on the demographics, will be dispersed with the help of school and college students. The program aims at creating awareness with a sense of responsibility amongst the young minds. We have also conceptualized and has manufactured a seed-ball

making machine with a hope to inspire others to help save the planet.

ELECON LADIES FORUM (ELF) & EL-Care initiatives

Functioning under a collaborative umbrella alongside El-Care, Elecon Ladies Forum (ELF) carries out a span of charitable events & initiatives in local villages and slums. These included offering meals on important



occasions, supporting old-age homes, spreading health & hygiene awareness for the girl child, self-protection lessons, vocational training & guidance and supporting the Aanganwadi campaigns.

El-Care aims at welfare and social causes such as holding blood-donation drives, managing scholarships and promoting self-reliance amongst people whereby they get inspired and do their bit for betterment of the society.

EDUCATION

For decades, Elecon has promoted quality education made accessible to all, truly understanding its importance in building the nation's future. With a vision to help and support the underprivileged students, Elecon organised a book and stationery donation drive in association with 10000 Books. Under the banner of ELF, a five-day books donation drive was conducted where one could donate old books and other stationeries. Millions of underprivileged children cannot afford their way to higher education. Organisations such as 10000 Books have been actively helping them and spreading awareness that each individual could make small yet meaningful contributions.

We also offer support providing scholarship funding to Sixty engineering students from BVM Engineering College each year. Elecon also offers support to a differently-abled school in Sojitra and contributes towards their well-being. We also have adopted a village called Gana and support their municipal school.

HEALTHCARE

As an organization, Elecon believes that good healthcare management is an integral part of a sound society. We have generously contributed towards Bhanubhai and Madhuben Patel Cardiac Centre at Shree Krishna Hospital, Karamsad. It is a state-of-the-



art cardiac center for all kinds of pediatric and adult cardiovascular ailments.

Elecon, with the support of the local blood banks, organizes blood donation drives. Leadership at Elecon drives the noble cause and one can see volunteers from all ranks of the organisation. We organized a Blood donation camp on the 13th Punya Tithi of Late Shri B. I. Patel and a total of 133 units of blood were collected and donated through local blood banks.

Elecon also facilitates health check-up camps, hygiene awareness camps and eye-camps around Charotar region.



Material Handling Equipment Division



▲ Online Wagon loading Machine for Closed type Wagons

Strengths

Elecon MHE has several decades of well demonstrated capabilities in the innovative product design, quality and customer service. Our state-of-the-art manufacturing facilities & dedicated team of employees are our core strength.

Currently we are focused on product & services business both in India and abroad, as also assisting customers in finding innovative solutions in Renovation and Modernization project.

MHE division has been exploring new horizons since inception which has led to our entry in to almost all facets of material handling which includes coal, cement, fertilizer, iron ore, steel making and other industries.

Our entrepreneurial spirit provides the impetus for exploring new grounds and creating value for stakeholders. We have taken determined steps to enter new business areas in material handling domain such as Flue Gas Desulphurization (FGD) plants, pile feeders for reclaiming arrangements, mine crushers, semi-mobile crushers.

Operation and Maintenance of Bulk Material Handling (BMH) systems are a challenging task and some of our esteemed customers have approached us to provide this service.

Achivements

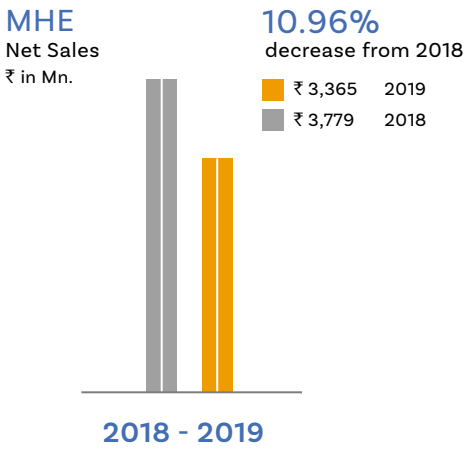
- Carrying out revival of Ramagundam fertilizer complex for RFCL / EIL including all material handling system and auxiliaries work.
- Received Retrofication & Modification job for stacker cum reclaimer from NTPC Farakka.
- Successfully completed installation and commissioning for Shifter and ejector working in conjunction with wagon tippler at SKS Power project.
- Reputed customers, having appreciated our manufacturing strength, have given us lot of equipment orders preferring over world renowned names and these orders are being executed by us in record time.
- Cement industry has not felt the heat of the recession and considering unparallel infrastructure growth, various customers are expanding. We have

received equipment orders from various industries like Ultratech cement, Shree Cement, Wonder Cement, Chettinad Cement etc. and are being executed as per their required timeline and quality standards. Growth Drivers We are concentrating on diversification of the business or entering in to new areas exposing us towards new kind of Material handling requirements i.e. FGD packages, mine crushers, semi-mobile crushers, pile reclaimer / pile feeders, Health and life study of equipment / system and providing R&M solution to various customers etc. Considering the forthcoming expansions in fertilizer industry including revival of various fertilizer complexes, we are working closely with the industry to upgrade / develop equipment / system like wagon loaders, truck loaders, neem oil coating system, revolving chutes etc. For mining sector, we are focused to develop higher size crushers for supplying to various MDOs. We are developing Operation & Maintenance business for our supplied / commissioned plants and equipment. We have successfully developed Twin / Tandem type wagon tippler which now a days is the increasing requirement in material handling industry.

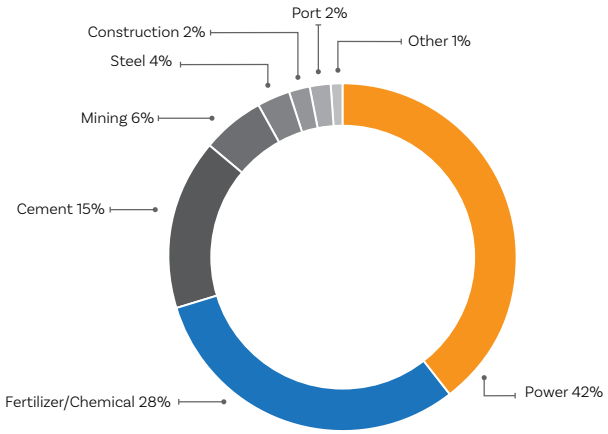
- Received a prestigious order from Kudremukh Iron Ore Company Limited (KIOCL) for Barrel type Blender Reclaimer and being one of the biggest Barrel Reclaimers in India.

- Also we are in the process of executing the NTPC Kudgi for two sets Stacker cum Reclaimers which has the capacity of 3700 TPH, which is one of its kind in MHE industry.

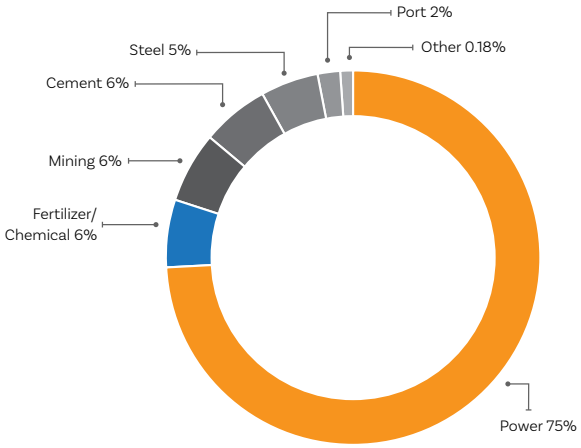
Net Sales MHE Division ₹3,365 MN In 2018-19



Sales Industry wise



Order in hand Industry wise



Gear Division



▲ 3 axis Co-Ordinate Measuring Machine

Manufacturing Strength

Elecon, as a Gearbox partner, is the main choice of customers of wide cross section from various core sector Industries like Cement, Iron & Steel, Sugar, Power, Mining, Ports & Paper etc. Elecon so far has made its remarkable foot-print in growth of Indian Gearbox Industry. Elecon's state of the art manufacturing facility in Vallabh Vidyanagar has made them the largest gearbox manufacturer in Indian subcontinent. Elecon's manufacturing capability is complemented with its high quality standards with ISO 9001:2015, BS OHSAS 18001:2007 & ISO 14001:2015 accreditations.

Elecon believes in continuous development of manufacturing infrastructures. Over the last decade, Elecon has added facilities like Bhanubhai Memorial Centre of Excellence (BMCE) for Parts Manufacturing, Modern Assembly Centre, In-House Planet Carrier Machining Centre, Upgradation of Heat Treatment facility to name few.

Elecon's manufacturing facility and its upgradation has enabled launching and successfully carrying forward important product portfolios like EON / EOS Series Standard Gearbox, Vertical Rolling Mill (VRM) Gearbox, Marine Gearbox for Warships, Sugar Mill Planetary gearbox, Rolling Mill Pinion Stands etc.

A couple of new feathers in Elecon's product profile recently are Double Planetary Stage VRM Gearbox upto 5 MW installed power, Roller Press Planetary Gearbox both destined for Cement Industry.

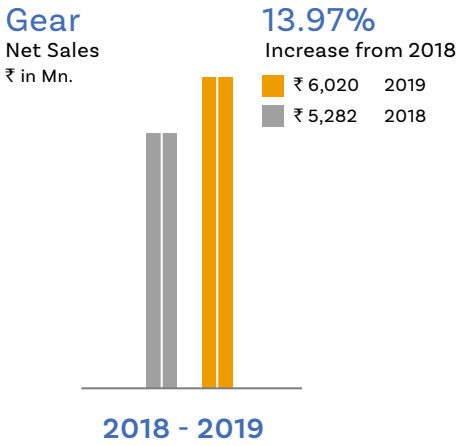
Growth Drivers

Recession in Indian economy and the hardships thereof has helped Elecon to evolve its inner strength to excel during troubled situation. A strong growth, more than the GDP as well as Manufacturing Sector growth in India is the proof of Elecon's success story. It's time in Elecon to take the momentum forward.

A perfect blend of experienced and ever enthusiastic



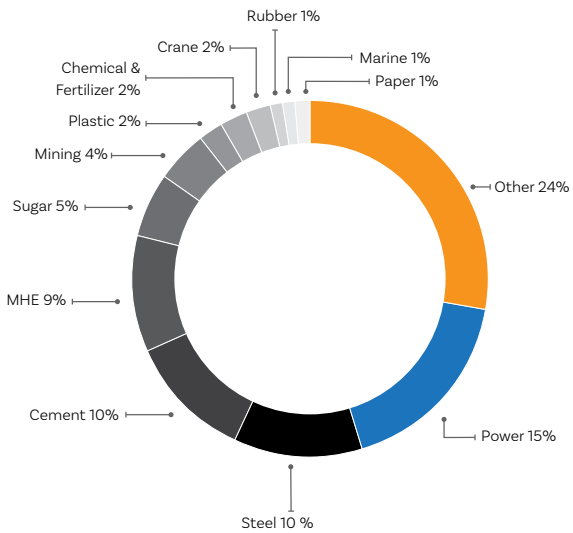
2 stages, Vertical Rollar Mill Drive for Power Industry



management together with a qualified and sincere workforce, Elecon is all set to perform much ahead any industry growth index.

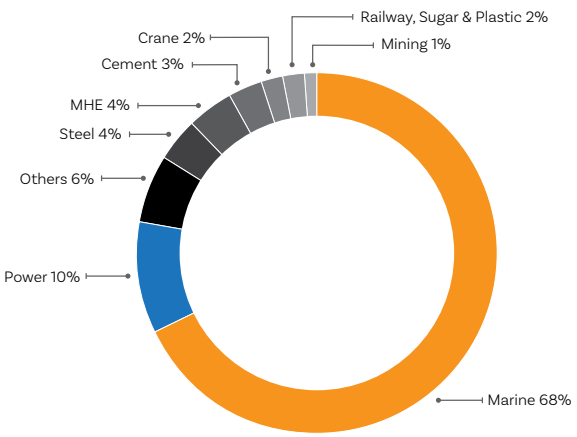
Products which would be the growth drivers in coming days will mainly be - Double Planetary VRM Gearbox, Roller Press Gearbox, High Speed Gearbox, Marine Gearbox, Drive Packages for Environmental Controlling systems in Power Plants etc. The Company is also eyeing to mainly the critical applications in sectors like Cement, Steel, Paper, Power, Plastics wherein it can achieve a good business volume with a nice layer of price realization. Process streamlining and a quantum jump in quantity for Standard Worm Gearbox will also support Elecon achieving its goal.

Sales Industry wise



Net Sales Gear Division ₹6,020 MN In 2018-19

Order in hand Industry wise



Board's Report



Diffuser Drive for Sugar Mill with capacity Upto 4500 kNm torque

Dear Members,

Your Directors have pleasure in presenting this 59th Annual Report together with the Audited Financial Statements for the financial year ended on March 31, 2019.

You being our valued partners in the Company, we share our vision of growth with you. Our guiding principles are a blend of realism and optimism which has been and will be the guiding force of all our future endeavors.

Performance of the Company

Standalone Financial Performance

For the year ended on March 31, 2019, the Company has achieved a Turnover of ₹ 95,374.56 Lakhs as against ₹ 91,953.72 Lakhs in the previous year.

For the year ended on March 31, 2019, the Company has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) of ₹11,177.26 Lakhs as against the EBIDTA of ₹ 10,936.61 Lakhs during the previous year.

The Net Profit of the Company for the financial year 2018-19 was ₹ 1,207.29 Lakhs compared to ₹ 808.37 Lakhs during the previous year.

The Company holds total unexecuted orders about ₹ 1,12,038.93 Lakhs (₹ 71,698.26 Lakhs for Gear Division and ₹ 40340.67 Lakhs of MHE Division) as on March 31, 2019. This will help us to continue to have sustainable growth in coming years.

Consolidated Operations

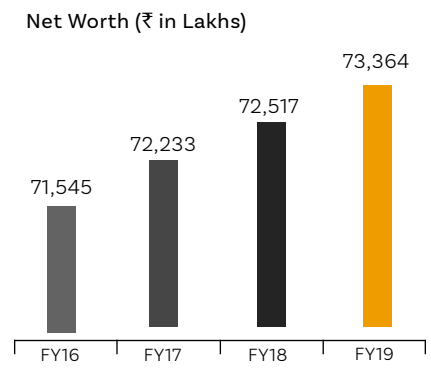
The Audited Consolidated Financial Statements of your Company as on March 31, 2019, which forms part of the Annual Report, have been prepared pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and also as per the applicable Indian Accounting Standards (Ind AS) on Consolidated Financial Statements (Ind AS-110) as notified by the Ministry of Corporate Affairs.

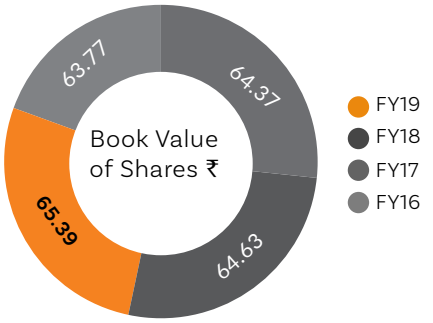
Your Company's total consolidated turnover for the year ended on March 31, 2019 was ₹ 122,312.87 Lakhs as against ₹ 118,850.06 Lakhs for previous year.

For the year ended on March 31, 2019, the Company has achieved Earnings Before Interest (Finance

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31/03/19	31/03/18	31/03/19	31/03/18
Turnover	95,374.56	91,953.72	1,22,312.87	118,850.06
Profit Before Tax, Finance cost, Depreciation & Amortization and Adjustment for previous year (EBIDTA)	11,177.26	10,936.61	13,798.34	12,470.50
Add: Other Income	2,374.30	1,055.72	6,727.95	547.38
EBIDTA (Including other income)	13,551.56	11,992.33	20,526.29	13,017.88
Less : Finance Cost	6,408.15	6,676.46	7,297.10	7,434.03
Depreciation & Amortization	4,357.75	4,807.20	4,789.25	5,292.32
Profit Before Tax	2,785.66	508.67	8,439.94	291.54
Less/(Add) : Exceptional Items	--	--	--	--
Less: Provision for Tax	-	604.69	300.82	650.34
Deferred Tax	1232.97	(372.11)	1,169.10	(304.60)
Mat Credit Entitlement	--	--	--	--
Short/(Excess) Prov. of earlier years	345.40	(532.28)	344.98	(532.28)
Profit After Tax	1,207.29	808.37	6,625.04	478.08
Add:				
Others Comprehensive Income	(9.27)	11.41	(821.15)	(171.08)
Share of Profit of Associates		--	385.89	270.42
Previous Year Balance Brought Forward	19,560.55	19,415.97	21,193.97	21,291.76
PROFIT AVAILABLE FOR APPROPRIATION	20,758.57	20,235.75	27,383.75	21,869.18
APPROPRIATIONS:				
Dividend paid	224.40	561.00	224.40	561.00
Income Tax on Dividend paid	46.13	114.20	46.13	114.20
Transfer to Debenture Redemption Reserve	2,500.00	--	2,500.00	--
Transfer to General Reserve	--	--	--	--
Balance Carried Forward	17,988.04	19,560.55	24,613.22	21,193.98





Cost), Depreciation & Amortization and Tax (EBIDTA) of ₹ 20,526.29 Lakhs as against the EBIDTA of ₹ 13,017.88 Lakhs during the previous year.

The Consolidated Net Profit of the Company for the year 2018-19 after other comprehensive income and share of profit/loss of associates was ₹ 6,625.04 Lakhs compared to ₹ 478.08 Lakhs during the previous year.

During the year under review, your Company's consolidated Net Worth is ₹ 76,806.44 Lakhs as against ₹ 70,887.19 Lakhs for previous year.

Dividend

Your Directors have recommended dividend of 10 % i.e. ₹ 0.20/- per share on 11,21,99,965 equity shares of ₹ 2/- each for the financial year ended on March 31, 2019 (previous year ₹ 0.20/- per share on 11,21,99,965 equity shares of ₹ 2/- each).

The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 270.53 Lakhs, including dividend distribution tax of ₹ 46.13 Lakhs against ₹ 270.53 Lakhs including dividend distribution tax of ₹ 46.13 Lakhs in the previous year.

During the year, the unclaimed dividend pertaining to the financial year 2010-11 has been transferred to the Investor Education & Protection Fund.

Transfer to Reserves

During the year under review, the Company has transferred ₹ 2,500.00 lakhs to the Debenture Redemption Reserve and proposes to retain balance in the profit and loss account.

Share Capital

The paid up Equity Share Capital as on March 31, 2019 was ₹ 2,244.00 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

Directors' shareholding in the Company, as on March 31, 2019, is given in extract of Annual Return.

Issue of Debentures:

During the year under review, the Company has issued and allotted 12.25% Senior Secured Rated Listed Redeemable Non-Convertible Debentures ('NCDs') of face value of ₹ 10 lakhs aggregating

to ₹ 100 crores in two series as an initial and first tranche from the approval received from the Board of Directors of the Company of Rs. 150 crores on Private Placement basis. The said NCDs are listed at BSE Limited.

Finance

Cash and Cash Equivalent as at March 31, 2019 was ₹ 352.75 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.

Fixed Deposits

The Company has not accepted any fixed deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid/unclaimed deposits as on March 31, 2019.

Particulars of Loans, Guarantees or Investments

The details of Loans given, Guarantees and Securities provided and Investments made by the Company in compliance with the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Directors & Key Managerial Personnel (KMPs)

Director Retire by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri P.M. Patel, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The Board recommends his appointment for your approval.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, 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.

Meetings

During the year eight Board Meetings, five Audit Committee Meetings, four Stakeholders Relationship Committee Meetings, three Nomination and Remuneration Committee Meetings, one Corporate Social Responsibility Committee Meeting, two Management Committee Meetings and one Separate Meeting of Independent Directors were held. During the year, some of the resolutions were also passed by way of Circular Resolutions. The details of which are given in the Corporate Governance Report. The intervening gaps between the Board Meetings were within the period prescribed under the Companies Act, 2013.

During the year one Extra-ordinary General Meeting was convened on March 30, 2019 for passing the Special Business.

Composition of Various Committees

Details of various committees constituted by the Board as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and their meetings are given in the Corporate Governance Report which forms part of this report.

Independent Directors

The Independent Directors met on May 4, 2018 without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

In last Annual General Meeting held on September 26, 2018; Shri Jal R. Patel (DIN 00065021) was re-appointed as an Independent Director of the Company for a second term of three years with effect from April 1, 2019. During the year, Shri Chirayu Amin (DIN00242549) and Shri Jai Diwanji (DIN 000910410) were re-appointed as Independent Directors for second term of five years commencing

from April 1, 2019 at the Extra-ordinary General Meeting held on March 30, 2019.

Familiarization Programme for Independent Directors

In compliance with the requirements of SEBI (LODR) Regulations, 2015, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. alongwith updating on various amendments in the SEBI (LODR) Regulations, 2018. The policy on Familiarization Programme is uploaded on the website of the Company and can be accessed through web link https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Details-of-Familiarization-Programmes-for-IDs.pdf.

The Company has conducted the familiarization programme for Independent Directors of the Company, details for the same have been disclosed on the Company's website https://www.elecon.com/investors/corporate-information.

Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The remuneration policy is stated in the Corporate Governance Report forming part of this Annual Report. The Nomination & Remuneration Policy is appended as, "Annexure A" to this Board's Report.

Disclosures by Directors

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures to this effect as required under Companies Act, 2013.

Change in Key Managerial Personnel

During the year under review, Shri Hiren Dalwadi was appointed as a Compliance Officer of the Company w.e.f. March 28, 2018 and he resigned as Compliance Officer of the Company w.e.f. July 10, 2018. Smt. Bharti Isarani was appointed as a Company Secretary, Compliance Officer and Key Managerial Personnel of the Company w.e.f. July 11, 2018.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors, hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them 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 at the end of the financial year and of the profit of the Company for the period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of Audit Committee. No material contract or arrangements with related parties were entered into during the year under review. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Related-Party-Transactions-Policy-2017.pdf. None of the Directors or any Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

Auditors

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants appointed as a Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 56th Annual General Meeting for the financial year 2016-17 until the conclusion of Annual General Meeting for the financial year 2020-21. Referring to the amendments in the provisions of Section 139 of the Companies Act, 2013 the requirement relating to ratification of their appointment by members at the Annual General Meeting has been done away.

However, the Board has taken note and M/s. B S R & Co. LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as Statutory Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Audit records maintained by the Company in respect of its manufacturing activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Y.S. Thakar & Co., Cost Auditors to audit the cost accounts of the Company for the year ended on March 31, 2020 on a remuneration of ₹ 75,000/- p.a. plus Government levies/Taxes as appilicable and out of pocket expenses at actual. 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 Member's ratification for the remuneration payable to M/s. Y.S. Thakar & Co., Cost Auditors is included in the Notice convening the 59th Annual General Meeting. The Cost Audit Report for the year 2017-18 was filed with the Ministry of Corporate Affairs before the due date of filing.

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 CS Ashwin Shah, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report on the Secretarial Audit carried out by him during the year 2018-19 is annexed herewith as "Annexure B".

Subsidiary, Joint Venture & Associate Companies

As on March 31, 2019, the Company has 12 Direct and Indirect Subsidiary Companies.

During the year under review, no new Company has been incorporated / acquired as Subsidiary, Joint Venture or Associate Company.

Pursuant to the provisions of Sections 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and SEBI (LODR) Regulations, 2015, your Company had prepared Consolidated Financial Statements of the Company and its Subsidiaries and a separate statement containing salient features of financial statement of Subsidiaries/Associates forms part of the Annual Report.

The Annual Financial Statements and related information of the Subsidiary Companies shall be made available for inspection by the shareholders of the Holding and Subsidiary Companies on all working days during business hours for a period of 21 days before the date of the Annual General Meeting and the same will also be placed on the website of your Company. Any member who is interested in obtaining the Audited Financial Statements of the Subsidiary Companies may obtain the same by writing to the Company.

Financial Performance – Subsidiary Companies

Elecon Transmission International Limited (Mauritius – consolidation)

Total Income of the Benzlers Radicon Group has marginally reduced by 2% to GBP 32.51 Million in current year compared to 31.87 Million in previous year. However, EBIDTA excluding other income to GBP 4.42 Million in current year compared to GBP 0.69 Million in previous year. The Company has made a Profit Before Tax for GBP 3.06 Million in Current Year compared to Loss Before Tax for GBP 1.09 Million in previous year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization.

Benzlers group (Nordic and Europe)

Benzlers Group has witnessed a decrease in Sales Revenue by 11% to GBP 14.31 Million in current year compared to GBP 15.95 Million in previous year. However, the Company has maintained its EBIDTA Margin to GBP 1.77 Million in current year compared

to GBP 1.76 Million in previous year. Profit before tax and exceptional income has increased by 13% to GBP 1.43 Million compared to 1.26 Million in previous year. The Company has earned an exceptional income for GBP 1.98 Million during the current year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization.

Radicon Transmission UK Limited

Radicon, UK has been continually showing improvement in its overall operations. The Sales Revenue has increased by 11% to GBP 12.44 Million in current year compared to GBP 11.18 Million in previous year. EBIDTA Margin has jumped by 97% to GBP 1.52 Million compared to GBP 0.77 Million in previous year. Profit before Tax has jumped by 262% to GBP 1.05 Million in current year compared to 0.29 Million in previous year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization. Domestic Market in UK Market is facing cautious move in capital investment due to uncertainty of Brexit outcome.

Radicon Drive Systems, Inc. (Radicon USA)

Radicon-USA has witnessed a decrease in Sales Revenue by 31% to GBP 5.21 Million in current year compared to GBP 7.55 Million in previous year. However, Loss during the year has substantially reduced to GBP 1.31 Million in current year compared to 2.11 Million in previous year.

Elecon Singapore Pte. Limited

Elecon Singapore Pte. Ltd., Singapore is a Wholly-Owned Subsidiary, of the Company. It is a marketing arm of your Company and engages in the business of selling and supply of your Company's products in Singapore, Indonesia, Malaysia, Laos, Vietnam, Philippines, Taiwan, South Korea, North Korea, Cambodia, Russia, China, Japan, Myanmar, Thailand, Mongolia and other Far East countries.

During the year under consideration, revenue of Elecon Singapore Pte. Ltd. has increased from USD 1.72 million FY 2017-18 to USD 2.20 million FY 2018-19. Accordingly EBITDA has increased from (0.18) million FY 2017-18 to USD 0.08 million FY 2018-19.

Elecon Middle East FZE, Dubai

Elecon Middle East FZE, Dubai is a Wholly-Owned Subsidiary of the Company. It is a marketing arm of your Company and engages in the business of selling and supply of your Company's products in U.A.E. (Abu Dhabi, Dubai, Sharjah, Ajman, Umma Al Quwain, Ras Al Khaimah), Saudi Arabia, Oman, Yemen, Jordan, Kuwait, Iran, Iraq, Syria, Turkey, Bahrin, Qatar, Afghanistan, Palestine, Algeria, Comoros, Djibouti, Lebanon and other Middle East Countries.

During the year, total revenue of Elecon Middle East FZE has dropped by 3.04 %, from AED 6.80 million FY 2017-18 to AED 6.59 million FY 2018-19. Resulting drop in EBITDA by 89.8 % from AED 1.55 million FY 2017-18 to AED 0.16 million FY 2018-19.

Financial Performance - Associate

Eimco Elecon (India) Limited (EEIL)

Eimco Elecon (India) Ltd. (EEIL), a listed Company, was promoted by Elecon Engineering Company Ltd. and Envirotech Corporation, USA in 1974. In 1989, Tamrock OY, a Finnish Corporate Giant acquired stake held by Envirotech Corporation, USA in EEIL. In 1997, Sandvik AB, a Swedish company, has acquired major shares of Tamrock OY, thereby taken its controlling interest. At present, Sandvik Group holds 25.10% shares in EEIL.

EEIL is engaged in the business of manufacturing of a wide range of underground mining machinery viz. Air Powered Rocker Shovels, Electro Hydraulic Side Dump Loaders and Electro-hydraulic and Air powered Load Haul Dumpers used as loading machines in both the underground Coal mines and Metalliferous mines. EEIL is the market leader in the underground mining machinery business.

During the year, EEIL has achieved a Turnover of ₹ 18,473.48 Lakhs as against ₹ 14,216.55 Lakhs in the previous year. For the year ended on March 31, 2019, EEIL has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) including other income of ₹ 3596.01 Lakhs as against the EBIDTA of ₹ 2,496.76 Lakhs during the previous year.

Amalgamation of Elecon Transmission International Limited (ETIL), Mauritius

A Scheme of Amalgamation ('the Scheme') between the Company and its wholly owned subsidiary Elecon Transmission International Limited, Mauritius ('ETIL') has been approved on November 1, 2018 and October 31, 2018 by the Board of Directors of the Company and ETIL respectively. The Appointed Date of the Scheme is April 1, 2019 and the Company has filed the Scheme with various regulatory authorities including the stock exchanges. The Scheme was heard by the NCLT, Ahmedabad on April 29, 2019

and the order is reserved by NCLT, Ahmedabad. Post receipt of order from the NCLT, Ahmedabad, the Scheme shall be approved by the regulatory authorities in Mauritius.

Vigil Mechanism / Whistle Blower Policy

The Company has in place a Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail the mechanism.

The Vigil Mechanism/Whistle Blower Policy is available on Company's website at https://www.elecon.com/views/templates/admin-uploads/Investors/whistle-blower-policy/Elecon-Whistle-Blower-Policy-2017.pdf.

Corporate Governance

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, separate reports on Management Discussion & Analysis and Corporate Governance together with a certificate from the Practicing Company Secretary form part of this Report.

Your Company is committed to maintain the highest standards of Corporate Governance, reinforcing the valuable relationship between the Company and its Stakeholders.

Corporate Social Responsibility (CSR) Initiatives

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder your Company has adopted a policy for CSR and the Board has constituted a Committee for implementing the CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report.

The Company has implemented various CSR projects directly and / or through implementing agency and the projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is given in "Annexure C", forming part of this report.

Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The policy is available on our website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Board-Diversity.pdf.

Significant and Material Orders passed by the Regulators or Courts

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

Material Changes and Commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

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, Board and/or Central Government under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

Risk Management

Although it is not mandatory for the Company, the Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The said committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the areas of financial risks and controls.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure D".

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as "Annexure E", forming part of this Report.

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Complaints Committee (ICC) has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassment at the work place. During the year under review, there were no complaints pertaining to sexual harassment.

The policy on Sexual Harassment at Workplace is placed on the Company's website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Sexual-Harassment-Policy.pdf.

Annual Return

In accordance with the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure F" which forms an integral part of this Report and is also available on the Company's website at www.elecon.com.

Compliance of Secretarial Standards

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

Insurance

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

Industrial Relations/Personnel

Your Company is committed to upholding its excellent reputation in the field of Industrial relations. Through continuous efforts, the Company invests and improvises development programmes for its employees.

Acknowledgement

Your Directors are highly grateful for the unstinted guidance, support and assistance received from the Government, Financial Institutions and Banks. Your Directors are thankful to all valuable Stakeholders of the Company viz. shareholders, customers, dealers, vendors, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of Board of Directors,

Prayasvin B. Patel
Chairman & Managing Director
DIN: 00037394
Place: Vallabh Vidyanagar
Date: May 7, 2019



Management Discussion & Analysis

Global Economy and India

The global economy growth is estimated to have moderated to 3.7% during 2018 as manufacturing activity and international trade softened, financial conditions tightened and trade frictions intensified further. World economy is gradually losing the growth momentum amidst increasing trade tensions and declining industrial output.

Global growth is expected to decline to 3.5% in 2019 led by tightening financial conditions, increasing trade tensions and moderating international trade and investment. Emerging market and developing economies have started to lose the growth momentum. Slowdown in demand, financial tightening and political risks are some of the major headwinds for emerging market and developing economies. Financial stress and trade tensions could escalate further and dent the growth prospects further.

The Indian economy is estimated to have clocked a growth of 7.3% in FY19 riding on the back of strong domestic demand and increased investment. The economy is expected to grow at a rate of 7.5% in the coming as the economy is expected to benefit from lower oil prices, decline in pace of monetary tightening, structural policy reforms and rebound in credit. Domestic demand has strengthened as the benefits of structural reforms such as GST harmonisation and bank recapitalisation take effect.

The Engineering Sector and Gears

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. On the domestic front, slowdown in public sector spending had been the major headwinds for the industry. However, on the global level, the Indian engineering sector continues to perform well and has strong export presence in countries such as USA, Europe and South Korea.

Comparative advantage in terms of manufacturing costs, technology and innovation continues to be the key driving force for engineering exports from India. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Government's focus on infrastructure development is expected to keep demand for the engineering sector high. Continued growth of manufacturing and favourable regulatory policies will further propel the sector's growth. Allocation to the defence sector was raised to US$45.6 billion under Union Budget 2018-19. In addition, make in India policy is being carefully pursued to achieve greater self-sufficiency in the area of defence equipment including air-craft. Government initiatives, such as allowing private

sector participation, have been reinforced by opening up the sector to 100% FDI (49% through automatic route) and its offset policy is expected to enhance private sector (including SME) participation. Ministry of Defence has eased its procurement norms, making it easier for Indian companies and start-ups to offer equipment and other products to the Indian armed forces. Government has been working to expedite the stalled projects large projects in the road, power, coal and mining sectors with an aim to boost the sector.

Global industrial gearbox market is expected to generate revenue of around USD 29.20 billion by the end of 2024, growing at a CAGR of around 14.25% between 2018 and 2024. Rapid developments in industrial automation and adoption of Artificial Intelligence and robots are driving the expansion of industrial gearbox market. Additionally, the declining cost of gearboxes is also going to fuel the industrial gearbox market development over the forecast timeframe. The only factor restricting the development of this market is its high maintenance costs.

Elecon Engineering - Company Review

Fiscal 2018-19 was a year of positive performance for Elecon Engineering Company Ltd. Both the Gear business and the Material Handling business saw improved performance. With a strong focus towards improving collections, the Company identified receivables management as one of the top priorities. During the fiscal year, the management proposed to amalgamate Elecon Transmission International Ltd. (ETIL), Mauritius with Elecon Engineering Co. Ltd. (EECL), India as part of ongoing restructuring process and also got approval from the Board to issue Redeemable Non-Convertible Debentures up to Rs. 150.0 Crore out of which Rs. 100 crores were issued as part of effective debt management.

On the business front, Elecon's gear business witnessed green shoots of revival and managed strong performance on the back of robust order inflow and favourable product mix. The Company reported double digit growth in sales as well as the order booking for the full year. Ongoing restructuring and cost control initiatives resulted in improved margins. During the fiscal, the Company's order book in Gear business stood worth of Rs 54875 Lakhs with sugar, steel, fertilizer and cement contributing most to it. The MHE business showed significant improvement in terms of margin expansion owing to various restructuring effort initiated and cost control measures being adopted. The Company continued to focus on profitable product business and stopped taking large projects with an intention to grow the bottom-line. The strategy adopted by the management has started yielding positive results and the Company remains optimistic about the future growth outlook. At the end of fiscal, the Company's order book in MHE business stood at Rs 40341 Lakhs.

The Company had a relatively healthy fiscal year with both gear business and MHE reporting good performance. There was uptick in order inflow on the back of revival in economy and increased industrial activity. The management continued to focus on debt restructuring, recoveries of receivables and streamlining existing operations. The Company is witnessing gradual improvement in activity in the manufacturing sector and overall demand scenario looked encouraging. The performance is expected to continue improving in the future looking at the revival in demand scenario and on back of strong execution and favourable product mix.

Segment Wise Revenue - Gear Business

During fiscal 2019, the power business contributed close to 10 % in the overall business. India's rapid growth over the past decade has increased power demand, which is still largely unmet. The government has implemented various progressive measures to maximise power generation capacity and improve distribution. Government initiatives like 24x7 power, power to all households and UDAY, which has improved viability of discoms to buy more power to serve more customers and the CEC initiatives that include linking of deviation settlement mechanism (DSM) prices to DAM prices at the exchange average clearing price, have helped the sector witness robust growth. The government targets to increase renewable capacity to 175GW in FY22, and further to 275GW in FY27 from current 72 GW. Electrification is increasing with the support of the government schemes like DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana) and IPDS (Integrated Power Development Scheme). The government has also delicensed the electrical machinery industry and allowed 100 per cent foreign direct investment (FDI) in the sector. All these development augurs well for Elecon's business in power generation, distribution, transmission and equipment.

Our business in Cement sector was near to 3 % of the overall revenues. The industry is expected to continue with its positive trend on the back of growing demand and clock double digit growth due to increased construction and infrastructure

activities supported by suitable government policies such as affordable housing, interest rate subvention on home loans, massive investment in infrastructure, Smart City, AMRUT, Housing for All and Bharatmala project. The Government also plans to extend its rural road network scheme connecting all eligible habitations under Phase III of Prime Minister Gram Sadak Yojana (Prime Minister's Rural Road Scheme), set up new government medical colleges and hospitals, renovate about 600 railway stations and suburban railway infrastructure, and renew 26,000 km of railway lines. This is likely to stimulate demand and bodes well for our business.

Total crude steel production in India has increased at a CAGR of 5.4% during FY12-FY19, with country's output reaching 103.1 million tonnes per annum (MTPA) in FY19. Moreover, capacity has increased to 138 million tonnes (MT) in FY19. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure spending and the thriving automobile, aviation and railways sectors. As such, companies in the steel industry are investing heavily in expanding their capacity. The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. We believe that this is a major positive for our business.

India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. The government has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. Project UNNATI has been started by Government of India to identify the opportunity areas for improvement in the operations of major ports. Further, there are plans to create port capacity of around 3,200 MMT to handle the expected traffic of about 2,500 MMT by 2020. All these initiatives augur well for the growth of the sector.

India's domestic sugar market continues to face challenges due to falling price of sugar in the international market. The government has implemented several policy fixes to help sugar mills and cane producers and revive the industry which includes higher price for ethanol extracted from sugarcane, financial assistance to sugar mills to create ethanol capacity, transport subsidy, etc. These steps will enable mills to boost sugar exports and clear cane arrears and provide much needed fillip to the industry.

Financial Performance

From a financial perspective, the total standalone operating income increased to ₹ 95,374.56 Lakhs for FY19 as compared to income of ₹ 91,953.72 Lakhs in the previous year. EBITDA stood at ₹13,551.56 Lakhs as compared to ₹1 1,992.33 Lakhs during the corresponding period of the previous year. The EBITDA margin increased by 13.00 % for FY19 to corresponding period. Net profits stood at ₹ 1,207.29 Lakhs for FY19 as compared to ₹ 808.37 Lakhs in the previous year.

At the consolidated level, the total turnover during FY19 was ₹ 1,22,312.87 Lakhs as compared to an income of ₹ 118,850.06 Lakhs in the corresponding period of previous year. At the EBITDA levels, it registered an EBITDA of ₹ 20,526.29 Lakhs as compared to ₹ 13,017.88 Lakhs during the corresponding period of the previous year. The consolidated EBITDA margins increased by 57.70 % for FY19 to corresponding period. Consolidated PAT after share of profit of associates was at ₹ 6,625.04 Lakhs for FY19 as compared to ₹ 478.08 Lakhs in FY18.

Financial Ratios

Pursuant to Regulations 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 -

Particulars	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Debtors Turnover Ratio	1.63	1.52	1.94	1.83
Inventory Turnover Ratio	4.34	4.25	4.05	4.05
Interest Coverage Ratio*	1.55	1.10	2.42	1.05
Current Ratio	1.17	1.03	1.24	1.08
Debt Equity Ratio	0.65	0.68	0.71	0.83
Operating Profit Margin	11.72	10.94	11.59	9.75
Net Profit Margin* (%)	1.27	0.88	5.73	0.64
Return on Net Worth* (%)	1.65	1.11	9.40	1.29

*There is a change of more than 25% in Interest Coverage Ratio, Net Profit Margin and Return on Net Worth ratios. The company has improved its Interest Coverage Ratio of current financial year over previous year on both standalone & consolidated basis, which shows the company can easily pay interest expenses on outstanding debt. This is due to increase in Total Income by 5% and 8% respectively on YoY basis and in turn increase in PBT by 448% and 2794% respectively on YoY basis for standalone and consolidated level.

Risk and Concerns

As far as the industry, in which the Company does its business is concerned, the significant challenges to gear business included high cost pressure from customers to reduce investment costs, quick response times for quotations, technology upgrades, lack of skilled labour, material costs, the overall economy and supply chain issues. However, the increase in capital expenditure for vendors also could pose a challenge to the growth of this market.

However, your Company has surpassed all the internal challenges like, technology upgrades, lack of skilled labour, supply chain, etc. to continue the momentum in business operations. The external challenges can be met as economic reforms will get in placed because of a stable government.

As your Company caters to various industries like, Power, Steel, Cement, Sugar, Ports, Mining, etc., it can maintain growth momentum by setting off slowdown of one sector with growth of the other in different industries, if in case the capex in each of the sector, being interest rate sensitive, is deferred in the current high interest rate regime.

Internal Controls System

Internal Controls including internal financial controls are continuously evaluated by the Internal Auditors and Management. Findings from internal audits are reviewed by the Management and by the Audit Committee and corrective actions and controls have been put in place wherever necessary. Scope of work of Internal Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

Development in Human Resources/Industrial front

It has been the tradition of the Company to maintain excellent industrial relations at all levels. This has ensured a very healthy level of enthusiasm within the employees. This has enabled the Company to maintain its growth despite competition and economic slowdown.

The number of employees as on March 31, 2019 was 788 as against 774 as on March 31, 2018.

Outlook

The Indian economy is expected to grow around 7.5% in 2019-20 on the back of declining interest rates and easing liquidity, increasing consumption and investment and government spending on infrastructure and rural economy. The government of India aims to increase the share of manufacturing sector to GDP and create a robust and competitive industrial base. As such, the Company remains positive on the growth outlook for the business supported by growth in core sectors such as power, steel, cement and mining.

ANNEXURE - A TO BOARD'S REPORT

The Nomination and Remuneration Policy

Introduction

In accordance with terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter 'Listing Regulations') 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 and approved by the Board of Directors vide its resolution dated February 3, 2015 and amended by the Board of Directors at its meeting held on August 3, 2017.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The key features of this Company's policy shall be included in the Board's Report.

Definitions

In this Policy unless the context otherwise requires:

(1) **"Act"** means Companies Act, 2013 and rules thereunder.

(2) **"Company"** means "Elecon Engineering Company Limited".

(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 Regulations.

(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, Listing Regulations 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 balance 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, at least 50% 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

Effective Date

This policy shall be operational with immediate effect after its adoption and approval by the Board of Directors at its meeting held on 3rd February, 2015.

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 Regulations 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 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 & 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 Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment 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 and Women 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 Regulations as amended from time to time;
3. The Board of the Company may consciously consist of directors from expertise field as may be considered fit by the Committee which is essential and beneficial for the growth of the Company;
4. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
6. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
7. The policy is disclosed in the Boards' Report.

ANNEXURE - B TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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,
ELECON ENGINEERING COMPANY LIMITED
Vallabh Vidyanagar - 388 120.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Elecon Engineering Company Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Elecon Engineering Company Limited's books, papers, minute books, 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Elecon Engineering Company Limited ("the Company") for the financial year ended on March 31, 2019 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
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, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
vi. Following other laws as applicable to the Company
    a. Factories Act, 1948
    b. Payment of Wages Act, 1936, and rules made thereunder,
    c. The Minimum Wages Act, 1948, and rules made thereunder,
    d. Employees' State Insurance Act, 1948, and rules made thereunder,
    e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
    f. The Payment of Bonus Act, 1965, and rules made thereunder,
    g. Payment of Gratuity Act, 1972, and rules made thereunder,
    h. The Contract Labour (Regulation) and Abolition Act, 1970

i. The Maternity Benefit Act, 1961
j. The Child Labour Prohibition and Regulation Act, 1986
k. The Industrial Employment (Standing Order), 1946
l. The Employees Compensation Act, 1923
m. The Apprentice Act, 1961
n. Equal Remuneration Act, 1976
o. The Environment (Protection) Act, 1986
p. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975
q. Industrial Dispute Act, 1947
r. Sexual Harassment of Women at Workplace Act, 2013

I 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 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 subject to late filing of certain e-forms.

I further report that

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

Adequate notice is given to all 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.

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

I further report that during the audit period the Company has:

1. Re-appointed Shri Jal R. Patel (DIN: 00065021) as an Independent Director of the Company for a period of 3 years with effect from April 1, 2019.
2. Re-appointed Shri Chirayu R. Amin (DIN: 00242549) as an Independent Director of the Company for a period of 5 years with effect from April 1, 2019
3. Re-appointment of Shri Jai S. Diwanji (DIN: 00910410) as an Independent Director of the Company for a period of 5 years with effect from April 1, 2019.

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Place : Ahmedabad
Date : May 7, 2019

Note : This report is to be read with our 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

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.

Place : Ahmedabad
Date : May 7, 2019

CS Ashwin Shah
Company Secretary
C. P. No. 1640

ANNEXURE - C TO BOARD'S REPORT

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://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Corporate-Social-Responsibility-Policy.pdf**

2. Composition of the CSR Committee:

   Dr. Sonal V. Ambani, Chairperson

   Shri Prayasvin B. Patel, Member

   Shri Prashant C. Amin, Member

3. Average net profit of the Company for last three financial years (2015-16, 2016-17 & 2017-18): **₹ 3,052.22 Lakhs**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

   The Company is required to spend ₹ 61.04 Lakhs towards CSR.

5. Details of CSR spend during the financial year:

   a. Total amount spent for the financial year: **₹ 62.93 Lakhs**

   b. Amount unspent, if any: **Not Applicable**

   c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amt. Outlay (Budget) – Project/ Programme wise	Amt. spent on projects or programme Sub Heads:- 1) Direct Exp. 2) Overheads	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency*
					₹ Lakhs	₹ Lakhs	
1.	Educational Scholarship, providing educational aid to needy students and Scholarship to meritorious students	Education	Dist.: Anand, State: Gujarat	--	11.56	11.56	Through Implementing Agency
2	Health Care	Medical	Dist.: Anand, State: Gujarat	--	16.75	16.75	Through Implementing Agency
3	Armed forces veterans, war widows and their dependent	Indian Army	India	--	34.62	34.62	Directly
			TOTAL	--	**62.93**	**62.93**	

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

6. CSR Policy has been implemented and the CSR Committee monitors the implementation of the CSR project and activities with our CSR objectives.

For and on behalf of the Board of Directors,

Prayasvin B. Patel
Chairman &
Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Chairperson of
CSR Committee
DIN : 02404841

Place : Vallabh Vidyanagar
Date : May 7, 2019

ANNEXURE – D TO BOARD'S REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

1. CONSERVATION OF ENERGY

Energy conservation with more focus is continuous process through improved maintenance practices.

(a) Energy Conservation measures taken

- Continuous efforts towards energy conservation by adopting new technology with more focus on improvement & process, through improved maintenance practices like Time Base Maintenance, Condition Base Maintenance, Analysis through SIC etc.
- The Power saving by use of LED lights for work lights of machines, overhead light in some shop floor areas stepwise. Installation of new as well as modified LED luminaries in the offices & workshops partially. Action taken on 413 fittings, which affected annually saving of 95000 units. Further, to provide natural lighting through Translucent sheet to stop day time use of electric lights in some shop floor areas.
- Replacement of pneumatically operated tools with electrically operated tools.
- Installation of VRV system air conditioning units in place of old AC plants at some offices. Start to use Inverter type Air Conditioner unit to achieve the Goal of energy conservation.
- Reduced the use of natural resources like Oil, Water, and Energy by introducing Total Productive Maintenance (TPM) practice.
- Reviewing & controlling over usages, under usages, idling and synchronization & transmission losses of machines leads to power consumption savings.
- Unless specified in contract specification for efficiency class for LV Motors, we have started offering IE-3 and IE-4 motors which ultimately reduces energy consumption compare to IE2/IE-1 motors.
- Paralleling of transformers done which reduces usages of diesel generator set at the time of peak load.
- Reduce the use of Compressor air by reducing over usages, idling of compressors, blocking of air leakages etc. by replacing new pipes which were deteriorated and leakaged.
- Use of natural gas through VAM for air conditioning system, which leads to reduction of huge conventional air condition system & thus energy saving is occurred.
- Continuous monitoring and reconditioning of PFC panel leads to PF unity which saves energy bill as well as active power usage.
- Introduction of sensors in the CNC lathes results the stoppage of idle running spindle motor. This is helpful to energy saving.

(b) Additional investments and proposal if any, being implemented for reduction of consumption of energy.

Continuous measures are being adapted in the Company for energy conservation. Usage of more LED lights for future requirement has been planned. Efforts are being taken to explore each and every possibility of further reduction in energy consumption.

Initial cost of LED fitting would be at least 1.5 times high than conventional fittings, however later date it would be cheaper solution as energy consumption will be half. Maintenance Spare like control gear, lamps etc. would be eliminated as well as it provides green nature.

For marine gear box testing purpose, we are going to use re-generative loading system instead of conventional dynamo torque applier. This will save approximately 60% of energy during testing.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Significant reductions in consumption of energy and production cost of goods be observed by the implementation of above referred measures. Implementation of above referred measures has resulted in increased facility reliability as well as improved equipment performance without any cost.

2. TECHNOLOGY ABSORPTION

(I) Research and Development

(a) Specific Area in which R & D carried out by the Company :

Research and development activities helps to improve product performance and product development in new segments. We emphasis on R & D activities in all departments like design, supply chain management, manufacturing, quality control, assembly to keep update our products technically. We engineered special product on basis of customer need with high quality and customer satisfaction. We are working on continuous improvement by adopting latest technologies.

- As technological advancement, we have procured "Laser Tracker Machine" from FARO Technologies Inc., USA. Measurement of geometrical parameters of a gearcase can be done with accuracy.
  - Measurement Range : Up to 25 meters (82.0 ft).
  - Operating Temperature Range: Min -15° C, Max +50° C
  - Operating Humidity Range: Min 0% RH, Max 95% RH
  - IP rating: IP 52, Water and Dust Resistant
- Recently we have launched crane duty gearbox series catalogue which will cater gearbox

requirement for cross travel, long travel & main hoist gearbox. It will cover 3 stage & 4 stage having ratio range starting from 14:1 to 280:1. Gearboxes are available in horizontal torque arm and vertical mounting.

- In the area of process improvement, we have established methods to achieve precision bores at longer distances & also with very close geometrical tolerances, which will help us in delivering sub-sonar gearboxes for defence applications.
- Developed "Smart Gearbox" having online health monitoring system and successfully establish at customer end.

- Single stage bevel and two stage planetary development carried out for vertical rolling mill in cement industry. Gear box is constructed with very compact design. Two planetary stage gives higher torque by weight ratio and also allows to design higher gear reduction ratio up to 50:1. Planetary internals having same module gives more flexibility to use common machining facility. Series design with partner concept between two immediate sizes having same components only with different facewidth helps us to achieve higher rating.

(b) Benefits derived as a result of R & D:

New product development in R & D enhanced organization growth. With the effort of R & D, we are able to improve product quality & performance. R & D activities help organization to enter in new markets and optimize product.

(c) Future plan of action:

Future R & D efforts will include –

1. Optimization of existing product performance for better customer satisfaction.
2. Reduction in components inventory to implement fast delivery.
3. Entering to new segment of high speed gearbox.
4. Torque rating Improvement in couplings & worm gearbox to optimize design.
5. Emphasis on design for manufacturing and design for assembly.

(d) Expenditure on R & D:

In pursuit of R & D endeavors the Company is continuously incurring R & D expenditure which has been separately reflected in the financial statements. The total R & D expenditure incurred during the financial year 2018-19 is as under:

	₹ in Lakhs
Capital Expenditure	--
Revenue Expenditure	298.58
Total	**298.58**

(II) Technology absorption, adaptation & innovation, measures take and benefits derived therefrom

- Recently procured computational fluid dynamics software to optimize oil distribution in gearboxes and fluid couplings. ANSYS CFD is a powerful and flexible general-purpose computational fluid dynamics software package used to model flow, turbulence, heat transfer and reactions for industrial applications.
- Developed Single Stage Double Helical High Speed gear box for Turbine to generator Drive with 4.4 MW capacity and input speed of 8333 rpm.
- Developed Dual speed gearbox having 450 kW capacity and ratio : 1:1 & 3.987:1.
- Developed bevel planetary gearbox with 1.8 MW capacity and input speed of 990 rpm with ratio 30.94:1 for vertical rolling mill (Cement mill).
- Developed five stage gearbox for diffuser drive-sugar industry with hollow output shaft and shrink disc, torque arm having torque capacity 90 kW and input speed of 1475 rpm.

3. FOREIGN EXCHANGE DETAILS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Earnings	**5,342.96**	6,306.88
Outgo	**2,935.14**	2,061.65

ANNEXURE – E TO BOARD'S REPORT

A. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Names of the top ten employees in terms of remuneration drawn and names of every employee who employed throughout the financial year ended on March 31, 2019 and in receipt of remuneration in aggregate of ₹ 1.02 Crores or above.

Notes :

Name	Age (Yrs.)	Qualification(s)	Date of Joining	Designation	Remuneration (₹ in Lakhs)	Experience (Yrs.)	Last Employment
Shri Prayasvin Patel*	61	B. E.(Mech.) M.B.A. (U. S. A.)	July 1, 1983	Chairman & Managing Director	208.53	43	--
Shri Prashant Amin*	63	M.B.A. Finance (U.S.A.), M.B.A. (Eng. & Mngt.)	June 1, 2011	Executive Director	204.64	38	Emtici Engineering Ltd.
Shri Kamlesh Shah	47	C.A.	April 18, 2018	Chief Financial Officer	46.34	23	Kalyani Technoforge Ltd.
Shri Vijaykumar Chakraborty	55	B.E. (Metallurgy)	April 21, 2009	Vice President (Foundry)	44.02	33	Prayas Engineering Ltd.
Shri Debojyoti Sen	58	L.M.E.	December 2, 1985	Vice President (Sales & Services)	35.06	37	Emtici Engineering Ltd.
Shri Susarla Sarma	51	B. E. (Mech.)	July 31, 2012	General Manager (Construction)	32.50	28	Marg Ltd.
Shri Jayanta Mukhopadhyay	54	B.E. (Mech.)	September 1, 2007	Vice President (R & D)	31.12	33	Power Build Pvt. Ltd.
Shri Rajkumar Pania	55	B.Com., Dip. Material Mgmt., DILM	September 7, 2015	Vice President (Projects)	30.62	34	Kadevi Industries Ltd.
Shri Santosh S. Bhat	47	B. E. (Mech.)	November 24, 2016	General Manager (Purchase)	30.02	27	L & T MHPS Turbine Generators Ltd.
Shri M. Venkatesan	51	D. M. E.	February 5, 1988	Vice President (Business Developement)	29.08	33	Emtici Engineering Ltd.

1. *The appointment is contractual.
2. The remuneration received includes Salary, Housing Allowance, Medical Allowance, Commission, Monetary value of perquisites is in accordance with provision of Income Tax Act, 1961.
3. Experience includes number of years of service elsewhere, wherever applicable.
4. Shri Prayasvin B. Patel, Chairman and Managing Director of the Company is relative of Shri Pradip M. Patel, Director of the Company.

ii. There were no employees who were employed for part of the year and were in receipt of remuneration at a rate of not less than ₹ 8.50 Lakhs p.m.

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Directors and Key Managerial Personnel (KMP)	Designation	Remuneration for the year 2018-19 (₹ in Lakhs)	Remuneration for the year 2017-18 (₹ in Lakhs)	% Increase in Remuneration in FY 2018-19	Ratio of Remuneration to Median Remuneration of Employee
A.	**Directors**					
1	Shri Prayasvin B. Patel	Chairman & Managing Director	208.53	208.93	(0.19)	39.80
2	Shri Prashant C. Amin	Executive Director	204.64	182.81	11.74	38.05
3	Shri Pradip M. Patel	Non-Independent NED	4.92	3.85	27.79	0.94
4	Shri Chirayu R. Amin	Independent NED	2.75	2.25	22.22	0.52
5	Shri Jal R. Patel	Independent NED	5.12	3.95	29.62	0.98
6	Shri Jai Diwanji	Independent NED	4.50	3.95	13.92	0.86
7	Dr. Sonal V. Ambani	Independent NED	4.20	3.20	31.25	0.80
B.	**Other KMPs**					
1	Shri Kamlesh Shah	Chief Financial Officer	49.37	#	#	#
2	Smt. Bharti Isarani	Company Secretary	9.07	#	#	#

Details not given as Shri Kamlesh Shah appointed as Chief Financial Officer of the Company w.e.f. May 4, 2018. Smt. Bharti Isarani was appointed as Company Secretary of the Company w.e.f. July 11, 2018.

(i) The median remuneration of employees of the Company during the financial year was ₹ 5.24 Lakhs. There was an increase of 14.41 % in the median remuneration of employees. There were 788 permanent employees on the rolls of Company as on March 31, 2019.

(ii) There was an increase of 8.79% in average percentage salaries of employees (other than the managerial personnel) in the last financial year i.e. 2018-19 whereas the managerial personnel remuneration for the same financial year was increased to 0.37%. Change in Managerial Personnel Remuneration is mainly due to amendment in the Schedule V of Companies Act, 2013.

(iii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

ANNEXURE - F TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN – FORM NO. MGT – 9

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L29100GJ1960PLC001082
ii)	Registration Date	11/01/1960
iii)	Name of the Company	ELECON ENGINEERING COMPANY LIMITED
iv)	Category / Sub-Category of the Company	PUBLIC COMPANY
v)	Address of the Registered office and contact details	ANAND – SOJITRA ROAD, VALLABH VIDYANAGAR – 388 120, GUJARAT TEL : 02692 236469 / 236513 FAX : 02692 227484 Website : www.elecon.com
vi)	Whether Listed Company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PVT. LTD. B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Chhar Rasta, Akota. Vadodara 390 020 TEL. No. +91 (265) 2356 573 / 2356 794 E-MAIL : vadodara@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Gears (Reduction Gears)	84834000	64.15 %
2	Bulk Material Handling Equipments	84289010	35.85 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
1	Elecon Transmission International Limited	98062	Wholly-Owned Subsidiary	100	2(87)(ii)
2	Elecon Singapore Pte. Limited	200006402R	Wholly-Owned Subsidiary	100	2(87)(ii)
3	Elecon Middle East FZE	834	Wholly-Owned Subsidiary	100	2(87)(ii)
4	Benzlers Systems AB, Sweden	556723-0817	WO Step Down Subsidiary Company	100	2(87)(ii)
5	Radicon Transmission UK Limited	7397993	WO Step Down Subsidiary Company	100	2(87)(ii)
6	AB Benzlers, Sweden	556043-6007	WO Step Down Subsidiary Company	100	2(87)(ii)
7	Radicon Drive Systems Inc.	SRV 100998235 - 4885125 FILE	WO Step Down Subsidiary Company	100	2(87)(ii)
8	Benzler Transmission A.S.	64445618	WO Step Down Subsidiary Company	100	2(87)(ii)
9	Benzler Antriebstechnik G.M.B.H, Germany	HRB61122	WO Step Down Subsidiary Company	100	2(87)(ii)
10	Benzler TBA B. V. Netherlands	12021081	WO Step Down Subsidiary Company	100	2(87)(ii)
11	OY Benzler AB, Finland	0106993-1	WO Step Down Subsidiary Company	100	2(87)(ii)
12	Benzlers Italia S.R.L., Italy	107816-K	WO Step Down Subsidiary Company	100	2(87)(ii)
13	Eimco Elecon (India) Limited	L29199GJ1974PLC002574	Associate	16.62	2(6)
14	Elecon Eng. (Suzhou) Co. Limited	-	Associate	50	2(6)
15	Elecon Africa Pty. Limited	2002/023798/07	Associate	50	2(6)
16	Elecon Australia Pty. Limited	ACN 099 879 517	Associate	50	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	4445437	0	4445437	3.96	4445437	0	4445437	3.96	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	61347604	0	61347604	54.68	61397854	0	61397854	54.72	0.04
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	**65793041**	**0**	**65793041**	**58.64**	**65843291**	**0**	**65843291**	**58.68**	**0.04**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8572923	0	8572923	7.64	6776473	0	6776473	6.04	-1.60
b) Banks / FI	223040	21690	244730	0.22	130815	21690	152505	0.14	-0.08
c) Central Govt	934149	0	934149	0.83	278648	0	278648	0.25	-0.58
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) Foreign Portfolio Investor	382419	0	382419	0.34	378163	0	378163	0.34	0.00
Sub-total (B)(1):-	**10112531**	**21690**	**10134221**	**9.03**	**7564099**	**21690**	**7585789**	**6.77**	**-2.26**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4818129	29655	4847784	4.32	4257951	29645	4287596	3.82	-0.50
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	21437792	2136560	23574352	21.01	20828715	1838480	22667195	20.20	-0.81
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4319565	181870	4501435	4.01	7165460	181870	7347330	6.55	2.54
c) NBFCs registered with RBI	0	0	0	0	58150	0	58150	0.05	0.05
d) Others (specify)									
Non Resident Indians	802209	240	802449	0.72	1469660	240	1469900	1.31	0.59
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	711926	0	711926	0.63	307701	0	307701	0.27	-0.36
Trusts	29700	0	29700	0.03	30200	0	30200	0.03	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
HUF	1423511	0	1423511	1.27	1518703	0	1518703	1.35	0.08
Directors & Their Relatives	372261	0	372261	0.33	372261	0	372261	0.33	0.00
Market Maker	9285	0	9285	0.01	6943	0	6943	0.01	0.00
IEPF	0	0	0	0	704906	0	704906	0.63	0.63
Sub-total (B)(2):-	**33924378**	**2348325**	**36272703**	**32.33**	**36720650**	**2050235**	**38770885**	**34.55**	**2.22**
Total Public Share-holding (B)=(B)(1)+ (B)(2)	**44036909**	**2370015**	**46406924**	**41.36**	**44284749**	**2071925**	**46356674**	**41.32**	**-0.04**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	109829950	2370015	112199965	100.00	110128040	2071925	112199965	100.00	0.00

ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Emtici Engineering Limited	26337818	23.47	17.11	26337818	23.47	17.11	0.00
2	Prayas Engineering Limited	11239414	10.02	9.98	11239414	10.02	9.98	0.00
3	K B Investments Private Limited	11190168	9.97	7.13	11240418	10.02	0.00	0.05
4	Bipra Investments And Trusts Private Limited	6709436	5.98	0.00	6709436	5.98	0.00	0.00
5	Prayasvin Bhanubhai Patel	1962932	1.75	0.00	1962932	1.75	0.00	0.00
6	Elecon Information Technology Limited	2330481	2.08	0.00	2330481	2.08	0.00	0.00
7	Akaaish Mechatronics Limited	1864849	1.66	0.00	1864849	1.66	0.00	0.00
8	Trupti Pradip Patel	1431058	1.28	0.00	1431058	1.28	0.00	0.00
9	Devkishan Investments Private Limited	1290814	1.15	0.00	1290814	1.15	0.00	0.00
10	Akanksha Prayasvin Patel	615220	0.55	0.00	615220	0.55	0.00	0.00
11	Prayasvin Bhanubhai Patel (On Behalf of Bhanubhai I. Patel -HUF)	227490	0.20	0.00	227490	0.20	0.00	0.00
12	Taruna Prayasvin Patel	206517	0.18	0.00	206517	0.18	0.00	0.00
13	Wizard Fincap Limited	184332	0.16	0.00	184332	0.16	0.00	0.00
14	Speciality Woodpack Private Limited	184332	0.16	0.00	184332	0.16	0.00	0.00
15	Power Build Private Limited	15960	0.01	0.00	15960	0.01	0.00	0.00
16	Aishwarya Prayasvin Patel	2220	0.00	0.00	2220	0.00	0.00	0.00
	TOTAL	**65793041**	**58.64**	**34.22**	**65843291**	**58.67**	**27.09**	**0.05**

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		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	**Emtici Engineering Limited**	**26337818**	**23.47**			**26337818**	**23.47**
	At the end of the year					**26337818**	**23.47**
2	**Prayas Engineering Limited**	**11239414**	**10.02**			**11239414**	**10.02**
	At the end of the year					**11239414**	**10.02**
3	**K B Investments Private Limited**	**11190168**	**9.97**			**11190168**	**9.97**
	Transfer			27 Mar 2019	50250	11240418	10.02
	At the end of the year					**11240418**	**10.02**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		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
4	Bipra Investments & Trusts Private Limited	6709436	5.98			6709436	5.98
	At the end of the year					6709436	5.98
5	Elecon Information Technology Limited	2330481	2.08			2330481	2.08
	At the end of the year					2330481	2.08
6	Prayasvin Bhanubhai Patel	1962932	1.75			1962932	1.75
	At the end of the year					1962932	1.75
7	Akaaish Mechatronics Limited	1864849	1.66			1864849	1.66
	At the end of the year					1864849	1.66
8	Trupti Pradip Patel	1431058	1.28			1431058	1.28
	At the end of the year					1431058	1.28
9	Devkishan Investments Pvt. Ltd.	1290814	1.15			1290814	1.15
	At the end of the year					1290814	1.15
10	Akanksha Prayasvin Patel	615220	0.55			615220	0.55
	At the end of the year					615220	0.55
11	Prayasvin Bhanubhai Patel (On Behalf of Bhanubhai I. Patel - HUF)	227490	0.20			227490	0.20
	At the end of the year					227490	0.20
12	Taruna Prayasvin Patel	206517	0.18			206517	0.18
	At the end of the year					206517	0.18
13	Wizard Fincap Limited	184332	0.16			184332	0.16
	At the end of the year					184332	0.16
14	Speciality Woodpack Private Limited	184332	0.16			184332	0.16
	At the end of the year					184332	0.16
15	Power Build Private Limited	15960	0.01			15960	0.01
	At the end of the year					15960	0.01
16	Aishwarya Prayasvin Patel	2220	0.00			2220	0.00
	At the end of the year					2220	0.00

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 [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		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 Ltd. A/C HDFC Balanced Advantage Fund	8572923	7.6408			8572923	7.6408
	Transfer			06 Apr 2018	(6600)	8566323	7.6349
	Transfer			13 Apr 2018	(880400)	7685923	6.8502
	Transfer			20 Apr 2018	(120000)	7565923	6.7432
	Transfer			22 Jun 2018	(84000)	7481923	6.6684
	Transfer			20 Jul 2018	(106000)	7375923	6.5739
	Transfer			27 Jul 2018	(60000)	7315923	6.5204

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		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			10 Aug 2018	(161000)	7154923	6.3769
	Transfer			17 Aug 2018	(86000)	7068923	6.3003
	Transfer			24 Aug 2018	(105150)	6963773	6.2066
	Transfer			31 Aug 2018	(45000)	6918773	6.1665
	Transfer			07 Sep 2018	(34200)	6884573	6.1360
	Transfer			14 Sep 2018	(22000)	6862573	6.1164
	Transfer			21 Sep 2018	(31000)	6831573	6.0887
	Transfer			29 Mar 2019	(55100)	6776473	6.0396
	At the end of the year					**6776473**	**6.0396**
2	**Vijaya S**	**212568**	**0.1895**			**212568**	**0.1895**
	Transfer			20 Apr 2018	18101	230669	0.2056
	Transfer			04 May 2018	63000	293669	0.2617
	Transfer			11 May 2018	72734	366403	0.3266
	Transfer			18 May 2018	22942	389345	0.3470
	Transfer			25 May 2018	29330	418675	0.3732
	Transfer			01 Jun 2018	4000	422675	0.3767
	Transfer			08 Jun 2018	18260	440935	0.3930
	Transfer			15 Jun 2018	1000	441935	0.3939
	Transfer			22 Jun 2018	3195	445130	0.3967
	Transfer			30 Jun 2018	22316	467446	0.4166
	Transfer			06 Jul 2018	15728	483174	0.4306
	Transfer			13 Jul 2018	52	483226	0.4307
	Transfer			27 Jul 2018	4920	488146	0.4351
	Transfer			17 Aug 2018	17000	505146	0.4502
	Transfer			24 Aug 2018	4000	509146	0.4538
	Transfer			07 Sep 2018	105333	614479	0.5477
	Transfer			14 Sep 2018	10513	624992	0.5570
	Transfer			21 Sep 2018	14496	639488	0.5700
	Transfer			29 Sep 2018	143433	782921	0.6978
	Transfer			12 Oct 2018	154031	936952	0.8351
	Transfer			26 Oct 2018	180723	1117675	0.9961
	Transfer			02 Nov 2018	21898	1139573	1.0157
	Transfer			11 Jan 2019	62552	1202125	1.0714
	Transfer			18 Jan 2019	53880	1256005	1.1194
	Transfer			01 Feb 2019	147877	1403882	1.2512
	At the end of the year					**1403882**	**1.2512**
3	**Ajay Upadhyaya**	**1104314**	**0.9842**			**1104314**	**0.9842**
	Transfer			13 Apr 2018	(133430)	970884	0.8653
	Transfer			20 Apr 2018	(10000)	960884	0.8564
	Transfer			04 May 2018	10	960894	0.8564
	Transfer			18 May 2018	(256580)	704314	0.6277
	Transfer			08 Jun 2018	19988	724302	0.6455
	Transfer			15 Jun 2018	15012	739314	0.6589
	Transfer			22 Jun 2018	279122	1018436	0.9077
	Transfer			13 Jul 2018	10000	1028436	0.9166
	Transfer			03 Aug 2018	120878	1149314	1.0243
	Transfer			24 Aug 2018	15000	1164314	1.0377
	Transfer			02 Nov 2018	(19000)	1145314	1.0208
	Transfer			09 Nov 2018	25000	1170314	1.0431
	Transfer			07 Dec 2018	8581	1178895	1.0507
	Transfer			14 Dec 2018	35419	1214314	1.0823
	Transfer			25 Jan 2019	12026	1226340	1.0930
	Transfer			08 Feb 2019	4110	1230450	1.0967

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		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 Mar 2019	1423	1231873	1.0979
	At the end of the year					**1231873**	**1.0979**
4	**Investor Education And Protection Fund Authority Ministry of Corporate Affairs**	**65501**	**0.5842**			**65501**	**0.5842**
	Transfer			16 Nov 2018	49405	704906	0.6283
	At the end of the year					**704906**	**0.6283**
5	**Aequitas Investment Consultancy Private Limited**	**15890**	**0.0142**			**15890**	**0.0142**
	Transfer			01 Feb 2019	259535	275425	0.2455
	Transfer			08 Feb 2019	14573	289998	0.2585
	Transfer			15 Feb 2019	34552	324550	0.2893
	Transfer			22 Feb 2019	36115	360665	0.3214
	At the end of the year					**360665**	**0.3214**
6	**Jasmine India Fund**	**276495**	**0.2464**			**276495**	**0.2464**
	Transfer			22 Jun 2018	29684	306179	0.2729
	Transfer			30 Jun 2018	35434	341613	0.3045
	Transfer			17 Aug 2018	7000	348613	0.3107
	At the end of the year					**348613**	**0.3107**
7	**Pace Setters Business Solutions Pvt. Ltd.**	**240647**	**0.2145**			**240647**	**0.2145**
	Transfer			13 Apr 2018	100000	340647	0.3036
	Transfer			10 Aug 2018	(150000)	190647	0.1699
	Transfer			02 Nov 2018	6274	196921	0.1755
	Transfer			29 Mar 2019	146650	343571	0.3062
	At the end of the year					**343571**	**0.3062**
8	**Aniruddha Narayan Malpani**	**72513**	**0.0646**			**72513**	**0.0646**
	Transfer			13 Jul 2018	17320	89833	0.0801
	Transfer			20 Jul 2018	60098	149931	0.1336
	Transfer			27 Jul 2018	25646	175577	0.1565
	Transfer			12 Oct 2018	110122	285699	0.2546
	At the end of the year					**285699**	**0.2546**
9	**Arvind Baburao Joshi**	**129599**	**0.1155**			**129599**	**0.1155**
	Transfer			14 Dec 2018	154825	284424	0.2535
	At the end of the year					**284424**	**0.2535**
10	**Kuldip Singh Rathee**	**137937**	**0.1229**			**137937**	**0.1229**
	Transfer			20 Jul 2018	61408	199345	0.1777
	Transfer			27 Jul 2018	30873	230218	0.2052
	Transfer			12 Oct 2018	21319	251537	0.2242
	Transfer			09 Nov 2018	31813	283350	0.2525
	At the end of the year					**283350**	**0.2525**
11	**The Oriental Insurance Company Limited***	**278648**	**0.2483**			**278648**	**0.2483**
	At the end of the year					**278648**	**0.2483**
12	**Dileep Madgavkar ***	**275001**	**0.2451**			**275001**	**0.2451**
	At the end of the year					**275001**	**0.2451**
13	**Nehal Pradip Patel***	**239700**	**0.2136**			**239700**	**0.2136**
	At the end of the year					**239700**	**0.2136**
14	**IL And FS Securities Services Limited***	**215202**	**0.1918**			**215202**	**0.1918**
	Transfer			06 Apr 2018	(7264)	207938	0.1853
	Transfer			13 Apr 2018	147451	355389	0.3167
	Transfer			20 Apr 2018	(54706)	300683	0.2680
	Transfer			27 Apr 2018	(4056)	296627	0.2644

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on 01-April-2018]		Transactions during the year		Cumulative Shareholding at the end of the year [As on 31-March-2019]	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
	Transfer			04 May 2018	(3005)	293622	0.2617
	Transfer			11 May 2018	575	294197	0.2622
	Transfer			18 May 2018	257023	551220	0.4913
	Transfer			25 May 2018	(49810)	501410	0.4469
	Transfer			01 Jun 2018	3130	504540	0.4497
	Transfer			08 Jun 2018	(17004)	487536	0.4345
	Transfer			15 Jun 2018	4740	492276	0.4387
	Transfer			22 Jun 2018	(277376)	214900	0.1915
	Transfer			30 Jun 2018	7898	222798	0.1986
	Transfer			06 Jul 2018	83009	305807	0.2726
	Transfer			13 Jul 2018	60418	366225	0.3264
	Transfer			20 Jul 2018	134951	501176	0.4467
	Transfer			27 Jul 2018	29952	531128	0.4734
	Transfer			03 Aug 2018	(136750)	394378	0.3515
	Transfer			10 Aug 2018	(27528)	366850	0.3270
	Transfer			17 Aug 2018	(50089)	316761	0.2823
	Transfer			24 Aug 2018	21841	338602	0.3018
	Transfer			31 Aug 2018	(32924)	305678	0.2724
	Transfer			07 Sep 2018	5531	311209	0.2774
	Transfer			14 Sep 2018	26075	337284	0.3006
	Transfer			21 Sep 2018	(7175)	330109	0.2942
	Transfer			29 Sep 2018	(50694)	279415	0.2490
	Transfer			05 Oct 2018	(2935)	276480	0.2464
	Transfer			12 Oct 2018	(618)	275862	0.2459
	Transfer			19 Oct 2018	1500	277362	0.2472
	Transfer			26 Oct 2018	3285	280647	0.2501
	Transfer			02 Nov 2018	(3200)	277447	0.2473
	Transfer			09 Nov 2018	6563	284010	0.2531
	Transfer			16 Nov 2018	700	284710	0.2538
	Transfer			23 Nov 2018	500	285210	0.2542
	Transfer			30 Nov 2018	(1042)	284168	0.2533
	Transfer			07 Dec 2018	5388	289556	0.2581
	Transfer			14 Dec 2018	(23747)	265809	0.2369
	Transfer			21 Dec 2018	(1426)	264383	0.2356
	Transfer			28 Dec 2018	17653	282036	0.2514
	Transfer			31 Dec 2018	(14)	282022	0.2514
	Transfer			04 Jan 2019	(9321)	272701	0.2430
	Transfer			11 Jan 2019	758	273459	0.2437
	Transfer			18 Jan 2019	23528	296987	0.2647
	Transfer			25 Jan 2019	(5218)	291769	0.2600
	Transfer			01 Feb 2019	(3172)	288597	0.2572
	Transfer			08 Feb 2019	11610	300207	0.2676
	Transfer			15 Feb 2019	(1401)	298806	0.2663
	Transfer			22 Feb 2019	(16462)	282344	0.2516
	Transfer			01 Mar 2019	2212	284556	0.2536
	Transfer			08 Mar 2019	(14464)	270092	0.2407
	Transfer			15 Mar 2019	(4022)	266070	0.2371
	Transfer			22 Mar 2019	4939	271009	0.2415
	Transfer			29 Mar 2019	(56483)	214526	0.1912
	Transfer			30 Mar 2019	(1941)	212585	0.1895
	At the end of the year					**212585**	**0.1895**

Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

*Ceased to be in the list of top ten shareholders as on March 31, 2019. The same has been reflected above since the shareholder was one of the top ten shareholders as on March 31, 2018.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shri Prayasvin B. Patel **Chairman & Managing Director**	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year on April 1, 2018	1962932	1.75	1962932	1.75
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc):	0	0.00	0	0.00
	At the end of the year on March 31, 2019	**0.00**	**0.00**	**1962932**	**1.75**

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shri Prashant C. Amin **Executive Director**	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	At the beginning of the year on April 1, 2018	37675	0.03	37675	0.03
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc):	0	0.00	0	0.00
	At the end of the year on March 31, 2019	--	--	**37675**	**0.03**

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shri Pradip M. Patel **Non-Executive Director**	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	At the beginning of the year on April 1, 2018	43161	0.04	43161	0.04
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc):	0	0.00	0	0.00
	At the end of the year on March 31, 2019	--	--	**43161**	**0.04**

Sr. No.	Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shri Jai S. Diwanji **Independent & Non-Executive Director**	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	At the beginning of the year on April 1, 2018	28050	0.03	28050	0.03
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc):	0	0.00	0	0.00
	At the end of the year on March 31, 2019	--	--	**28050**	**0.03**

The following Directors/KMPs did not hold any shares during F.Y. 2018-19:

1. Shri Chirayu R. Amin – Director
2. Shri Jal R. Patel – Director
3. Dr. Sonal V. Ambani – Director
4. Shri Kamlesh Shah – Chief Financial Officer
5. Smt. Bharti Isarani – Company Secretary

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,696.74	-	-	49,696.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	188.16	-	-	188.16
Total (i+ii+iii)	**49,884.90**	**-**	**-**	**49,884.90**
Change in Indebtedness during the financial year				
* Addition	10,179.36	-	-	10,179.36
* Reduction	12,465.56	-	-	12,465.56
Net Change	**(2,286.20)**	**-**	**-**	**(2,286.20)**
Indebtedness at the end of the financial year				
i) Principal Amount	47,410.54	-	-	47,410.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	211.72	-	-	211.72
Total (i+ii+iii)	**47,622.26**	**-**	**-**	**47,622.26**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		CMD	WTD	
		Shri Prayasvin Patel	Shri Prashant Amin	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	203.00	204.35	407.35
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	5.53	0.29	5.82
	(c) Profits in lieu of salary under section 17(3) Income - Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**208.53**	**204.64**	**413.17**
	Ceiling as per the Act	**Within a limit as per Schedule V of the Companies Act, 2013**		

B. Remuneration to other directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Pradip Patel	Shri Chirayu Amin	Shri Jal Patel	Shri Jai Diwanji	Dr. Sonal Ambani	
1	**Independent Directors**						
	Fee for attending committee meetings (I)	--	1.25	3.62	3.00	2.70	10.57
	Commission	--	1.50	1.50	1.50	1.50	6.00
	Others, please specify	--	--	--	--	--	--
	Total (1)	**--**	**2.75**	**5.12**	**4.50**	**4.20**	**16.57**
2	**Other Non-Executive Directors**						
	Fee for attending committee meetings (II)	3.42	--	--	--	--	3.42
	Commission	1.50	--	--	--	--	1.50
	Others, please specify	--	--	--	--	--	--
	Total (2)	**4.92**	**--**	**--**	**--**	**--**	**4.92**
	Total (B)=(1+2)	**4.92**	**2.75**	**5.12**	**4.50**	**4.20**	**21.49**
3	**Total Remuneration to other Directors (1+2-I-II)**	**1.50**	**1.50**	**1.50**	**1.50**	**1.50**	**7.50**
	Ceiling as per the Act	1% of Net Profit					
4	**Total Managerial Remuneration (A + B3)**	420.67					
	Overall Ceiling as per the Act	11% of Net Profit (for Remuneration of all Directors together)					

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
		Shri Kamlesh Shah*	Smt. Bharti Isarani*	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	45.75	8.23	53.98
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	2.52	0.43	2.95
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify Retirals	1.10	0.41	1.51
	Total	**49.37**	**9.07**	**58.44**

*During the year Shri Kamlesh Shah was appointed as Chief Financial Officer of the Comapny w.e.f. May 4, 2018 and Smt. Bharti Isarani was appointed as a Company Secretary of the Company w.e.f. July 11, 2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review, no Penalty was levied against the Company, its Directors or any of its Officers and also there was no Punishment or Compounding of offences against the Company, its Directors or any of its Officers under the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance is a creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. Securities and Exchange Board of India (SEBI) has been continuously fine tune and upgraded the standards of Corporate Governance applicable to the Indian Companies.

At Elecon Engineering Company Limited (ELECON), it is imperative that our Company affairs are managed in a fair and transparent manner. We ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the governance of the Company. Comprehensive Corporate Governance is critical to enhance and retain trust of the stakeholders. The Board of Directors of the Company fully supports Corporate Governance practices of the Company with appropriate checks and balances at right places and at right intervals.

This Report sets out the compliance with the principle of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and amendments thereof [hereinafter referred as "Listing Regulations"].

1. BOARD OF DIRECTORS

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and also exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and society's expectations.

The Board has identified the list of core skills/expertise/competences of the Board of Directors as required in the context of the business of the company, which is also forms part of the Policy of the Nomination and Remuneration.

The Company is managed by the Board of Directors consisting highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director and Executive Director manage the business of the Company under the overall supervision, guidance and control of the Board.

Composition

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises 7 (Seven) Directors out of which 5 (five) Directors (71%) are Non-Executive Directors.

The Company has an Executive Chairman and 4 (four) Independent Directors including 1 (one) Woman Director comprise more than half (57%) of the total Board strength. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of the stakeholders and the Company.

In terms of Regulation 17(A) of the Listing Regulations, none of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed entities. Moreover, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees or act as Chairman of more than 5 (five) Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a Director pursuant to the Regulation 26 of Listing Regulations. Necessary disclosures have been made by each Director.

The composition & category of Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2019 are as under:

Name and Designation of Director(s) (DIN)	Category	No. of other Directorships held	No. of Board Committees in which Chairman / Member		List of Directorship held in Other Listed Companies and Category of Directorship
			Chairman	Member	
Shri Prayasvin B. Patel Chairman & Managing Director (DIN : 00037394)	Non-Independent & Executive Director	9	--	--	Eimco Elecon (India) Limited - Executive Director
Shri Prashant C. Amin Executive Director (DIN : 01056652)	Non-Independent & Executive Director	8	1	--	Eimco Elecon (India) Limited - Non-Executive - Nominee Director
Shri Pradip M. Patel (DIN : 00012138)	Non-Independent & Non-Executive Director	2	--	2	Eimco Elecon (India) Limited – Non-Executive - Non Independent Director, Chairperson
Shri Chirayu R. Amin (DIN : 00242549)	Independent & Non-Executive Director	4	1	--	1. Alembic Pharmaceuticals Limited – Executive Director, Chairperson, CEO 2. Alembic Limited-Non-Executive - Non Independent Director, Chairperson 3. Paushak Limited - Non-Executive - Non Independent Director, Chairperson
Shri Jal R. Patel (DIN : 00065021)	Independent & Non-Executive Director	3	2	2	1. Gujarat Gas - Non-Executive - Independent Director 2. Ineos Styrolution India Limited - Non-Executive - Independent Director 3. Munjal Auto Industries Limited - Non-Executive - Independent Director
Shri Jai S. Diwanji (DIN : 00910410)	Independent & Non-Executive Director	2	--	2	1. Nesco Limited - Non-Executive - Independent Director 2. Manugraph India Limited - Non-Executive - Independent Director
Dr. Sonal V. Ambani (DIN : 02404841)	Independent & Non-Executive Director	3	--	2	Acrysil Limited - Non-Executive - Independent Director

Notes:

1. The Directorships held by the Directors, as mentioned above, excludes directorships held in the Company, alternate directorships, directorships in foreign companies, Section 8 Companies and private limited companies which are not the subsidiaries of public limited companies.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders Relationship Committee as per Listing Regulations.
3. Relationship between the Directors - As on March 31, 2019, none of the Directors of the Company were related to each other except Shri Pradip M. Patel, who is Shri Prayasvin B. Patel's Sister's husband.
4. 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 (the Act) and Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.
5. Video / teleconferencing facilities are used as and when required to facilitate Directors at other locations to participate in the meetings.

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 discussions at the meeting. To address specific urgent need, meetings are also being called at shorter notice. The Board and Committees thereof are also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.

ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the permission of the Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. In order to transact some urgent business which may come after circulation of agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman and Managing Director for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.

iv. Detailed presentations are made at the Board / Committee meetings covering finance, major business segments and operations of the Company and on auditors reports before approving the quarterly/half yearly/annual financial results of the Company.

v. As per the convenience of the Members of the Board, the Board Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand.

vi. 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 invited to provide additional inputs to the items discussed by the Board as and when necessary.

vii. The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors in compliance of Companies Act, 2013 and Listing Regulation.

viii. Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting is placed at the next meeting for information of the Board.

(B) Recording minutes of proceedings at the Board Meeting

The Minutes of the proceedings of each Board Meeting is recorded and the same is sent to all Directors for their comments, if any. The said minutes are getting approved at the next Board Meeting and the same are signed by the Chairman as prescribed in the Companies Act, 2013 and rules made thereunder as well as per the Secretarial Standards.

(C) Compliance

The Company Secretary is responsible for preparation of Agenda papers for the meetings and is required to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013 read with rules issued thereunder, SEBI Guidelines, SEBI (LODR) Regulations, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India 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 2018-19, 8 (Eight) Board Meetings were held on May 4, 2018, July 9, 2018, August 1, 2018, September 26, 2018, November 1, 2018, December 10, 2018, February 7, 2019 and March 30, 2019. The Company has held at least one Board Meeting in every quarter and the gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to concerned Directors upon request who could not attend the respective Board Meeting.

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

Name of Directors	No. of Board Meetings held during the tenure of Directorship	No. of Board Meetings Attended	Attendance at Last AGM
Shri Prayasvin B. Patel	8	8	Yes
Shri Prashant C. Amin	8	8	Yes
Shri Pradip M. Patel	8	7	No
Shri Chirayu R. Amin	8	5	No
Shri Jal R. Patel	8	7	Yes
Shri Jai S. Diwanji	8	6	No
Dr. Sonal V. Ambani	8	6	Yes

During the year under review the Circular Resolution is passed by the Board of the Directors of the Company on August 22, 2018 and March 29, 2019.

Securities held by NEDs in the Company as on 31st March, 2019

Name of Director	No of Equity shares held	No of convertible instruments held
Shri Prayasvin B. Patel	1962932	Nil
Shri Prashant C. Amin	37675	Nil

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

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

A brief profile of Shri Pradip M. Patel is given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Appointment of Independent Directors

During the year under review, the Board has recommended the re-appointment of Shri Jal Patel for 3 years and re-appointment of Shri Chirayu Amin & Shri Jai Diwanji both for 5 years as Independent Directors for a second term with effect from April 1, 2019. And the same has been approved by the Shareholders at their General Meetings.

On appointment of new Independent Directors, Company issues formal letter of appointment to independent directors describing their duties, responsibilities etc.

The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/LOA-independent-directors-terms-conditions.pdf.

(F) Separate meeting of Independent Directors

Separate meeting of Independent Directors was held on May 4, 2018 to evaluate the performance of Non-Independent Directors and the Board as a whole as well as the performance of the Chairman of the Company.

(G) Familiarization Programme for Independent Directors

The Company has conducted the familiarization programme for Independent Directors of the Company; details for the same have been disclosed on the Company's website and can be accessed through weblink https:/www.elecon.com/investors/corporate-information.

(H) The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

1. **Qualification & Knowledge :**
   - Degree holder in relevant disciplines (e.g. management, finance, engineering, marketing, legal etc.);

- Knowledge to understand the Company's business (including its mission, vision & values), strategic plans, goals, policies and major risk factors as well as threats & opportunities.

2. **Experience**
   - Experience of management in a diverse organisation
   - Experience in finance, administration, corporate and strategic planning , sales & marketing etc.
   - Demonstrable ability to work effectively with a Board of Directors
   - Experience in Corporate Strategic Decision Making to achieve the goals and mission
3. **Skills**
   - Excellent interpersonal, communication and representational skills
   - Financial Skills, Technical or other relevant Professional 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
   - Attributes & Competencies to function well as team members and to interact with the key stakeholders
   - Social Responsibilities towards Society at large.

(I) Certification from Company Secretary in Practice

The Company has received a certificate from M/s Kiran Vaghela & Associates, Practicing Company Secretaries, as required under the Listing Regulations, confirming that none of the Directors on Board of the Company has debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

(J) Code of Conduct

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 and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Code-of-Conduct.pdf. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2019.

(K) Prevention of Insider Trading Code

The Board of Directors of the Company have also amended the policy on the Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) (Amendment) Regulations as posted on the website of the Company and can be accessed through web-link https:/www.elecon.com/views/templates/admin-uploads/Investors/Trading-Window/20182019/Elecon_Code_of_Conduct_of_Prevention_of_Insider_Trading_and_Code_of_Fair_Disclosure_of_UPSI_2019.pdf.

The Compliance Officer of the Company is responsible for adherence to "Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

(L) Whistle Blower Policy

The Company has in place a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior / practices which was amended by the Board of Directors of the Company on February 7, 2019. Employees use this channel to report concerns related to discrimination, retaliation and harassment, and are assured of complete anonymity and confidentiality. During the year under review no such cases were reported.

The detail of such mechanism is communicated to all the directors and employees and the Whistle blower policy is also uploaded on the website of the Company and can be accessed through web-link https:/www.elecon.com/views/templates/admin-uploads/Investors/whistle-blower-policy/Elecon-Whistle-Blower-Policy-2019.pdf.

(M) CEO / CFO Certificate

The Managing Director/CEO and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of Listing Regulations. The said certificate is part of the Annual Report.

(N) Policy for Determining Material Subsidiary

The Company has adopted policy for determining material subsidiaries and material non-listed subsidiary of the Company to provide the governance framework for them. The Company's policy on "Material Subsidiary" is placed on the Company's website and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Policy-on-Determination-of-Materiality-of-Events-2017.pdf. As on 31st March, 2019, the Company does not have any material subsidiary company.

2. COMMITTEES OF BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all the Committees are placed before the Board for review.

As on date, the Board has established the following committees:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Stakeholders Relationship Committee
D. Corporate Social Responsibility (CSR) Committee
E. Risk Management Committee
F. Management Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing, and financial reporting process including review of the internal audit reports and action taken report.

The terms of reference and role of the Audit Committee is in accordance with the amendments to Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The terms of reference of the Audit Committee inter alia include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and Auditors' report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b) Changes, if any, in accounting policies and practices and reasons for the same
    c) Major accounting entries involving estimates based on the exercise of judgment by management
    d) Significant adjustments made in the financial statements arising out of audit findings
    e) Compliance with listing and other legal requirements relating to financial statements
    f) Disclosure of any related party transactions
    g) Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Audit Committee comprises of experts specializing in accounting/financial management. The Chairman of the Audit Committee, Shri Jal R. Patel is a Non - Executive and Independent Director. The present composition of the Audit Committee is as under:

Name of Members	Designation	Category
Shri Jal R. Patel	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

The Audit Committee met Five times on the following dates during the last financial year:

04.05.2018	01.08.2018	01.11.2018	07.02.2019	30.03.2019

Attendance at Audit Committee Meetings:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Jal R. Patel	5	5
Shri Pradip M. Patel	5	5
Shri Jai S. Diwanji	5	4
Dr. Sonal V. Ambani	5	4

The CFO, Statutory Auditors, Internal Auditors are permanent invitees to the meetings and attended & participated at the meetings of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee. The Chairman of the Audit Committee attended the last Annual General Meeting (AGM) held on September 26, 2018.

The minutes of Audit Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meetings.

Further during the year under review, the members of the Audit Committee passed the resolution by circulation on December 20, 2018.

B. Nomination and Remuneration Committee

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of Companies Act, 2013, and Regulation 19 of Listing Regulations.

Terms of reference of Nomination and Remuneration Committee as amended by the Board are as under: -

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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 and shall carry out evaluation of every Director's performance.
5. Review whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The present composition of Nomination and Remuneration Committee is as under:

Name of Members	Designation	Category
Shri Jai S. Diwanji	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jal R. Patel	Member	Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

The Nomination and Remuneration Committee met three times on the following dates during the last financial year:

04.05.2018	09.07.2018	07.02.2019

Attendance at Nomination and Remuneration Committee Meetings:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Jai S. Diwanji	3	2
Shri Pradip M. Patel	3	3
Shri Jal R. Patel	3	3
Dr. Sonal V. Ambani	3	2

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

The minutes of Nomination & Remuneration Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Further during the year under review, the members of the Nomination & Remuneration Committee passed the resolution by circulation on August 22, 2018.

(I) Nomination & Remuneration Policy

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is uploaded on the website of the Company https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-The-Nomination%20-and-Remuenration-Policy-2017.pdf. There has been no change in the policy during the year.

The Remuneration of the Executive Directors is determined by the Nomination and Remuneration Committee within the permissible limits of the Companies Act, 2013 and as approved by Board and shareholders.

The Company's remuneration policy is driven by the success and performance of the managerial personnel. While reviewing the remuneration of managerial personnel, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

(II) Performance Evaluation:-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Individual Directors and the Board. The framework of performance evaluation of the Independent Directors will capture the following points:

- Leadership & stewardship abilities;
- Contributing to clearly defined 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;
- Review management's succession plan;
- Effective meetings;
- Assuring appropriate board size, composition, independence, structure;
- Clearly defining roles & monitoring activities of committees; and
- Review of corporation's ethical conduct.

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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 performance of the Committee was evaluated by the Board after seeking inputs from the Committee members. The Directors expressed their satisfaction with the evaluation process.

(III) Remuneration of Directors

a. Non-Executive Directors

The Company will pay commission on annual basis at ₹ 1,50,000/- to each Non-Executive Directors for the year ended on March 31, 2019 after the Annual General Meeting to be held on 26th July, 2019. The Non-Executive Directors do not draw any remuneration from the Company other than the aforesaid commission and sitting fees. The Company pays the sitting fees to each Non-Executive Director at the rate of ₹ 25,000/- for attending each Board Meeting & Audit Committee Meeting, ₹ 10,000/- for Management Committee Meeting, ₹ 7,500/- for Nomination & Remuneration Committee Meeting, ₹ 5,000/- for each CSR Committee Meeting & Stakeholders Relationship Committee Meeting. The details of sitting fees & commission paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2018-19, are as under:

(₹ in Lakhs)

Name of Directors	Sitting fees for 2018-19	Commission on Annual basis for the year 2018-19	Total
Shri Pradip M. Patel	3.42	1.50	4.92
Shri Chirayu R. Amin	1.25	1.50	2.75
Shri Jal R. Patel	3.62	1.50	5.12
Shri Jai S. Diwanji	3.00	1.50	4.50
Dr. Sonal V. Ambani	2.70	1.50	4.20

Note: The above Sitting Fees excludes re-imbursement of the expenses incurred by Directors to attend the Meetings. The Commission related to the Financial Year ended on March 31, 2019, will be paid after the Annual General Meeting to be held on 26th July, 2019.

b. Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors.

The remuneration paid to the Chairman & Managing Director and Executive Director for the year 2018-19 is as follow:

(₹ in Lakhs)

Name of Directors	Salary	Perquisites*	Commission	Total
Shri Prayasvin B. Patel	203.00	5.53	--	**208.53**
Shri Prashant C. Amin	204.35	0.29	--	**204.64**

* Monetary value of perquisites is in accordance with provision of the Income Tax Act, 1961.

The payment of aforesaid remuneration is within the permissible limits of the Companies Act, 2013 as approved by Board and shareholders.

There is no separate provision for payment of severance fees under the regulations governing the appointment of Chairman & Managing Director and Executive Director.

The Company has not granted any stock options to the aforesaid Executive Directors or Employees of the Company.

The aforesaid Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

C. Stakeholders Relationship Committee

The constitution and terms of reference of Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of Reference:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of Investors' / Shareholders'/ Security Holders' Grievances.
3. Oversee the performance of the Company's Registrar & Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as may be referred by the Board from time to time or endorsed by any statutory notification / amendment or modifications as may be applicable.

The Board revised the role/functions of the Committee as per the amendments in the Listing Regulations as under:

1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee places a certificate of Registrar & Transfer Agent about the details of complaints received and their disposal during the quarter.

The present composition of Stakeholders Relationship Committee is as under:

Name of Members	Designation	Category
Shri Jal R. Patel	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director

The Stakeholders Relationship Committee met Four times on the following dates during the last financial year:

04.05.2018	01.08.2018	01.11.2019	07.02.2019

Attendance at Stakeholders Relationship Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meeting Attended
Shri Jal R. Patel	4	4
Shri Pradip M. Patel	4	4
Shri Jai S. Diwanji	4	3

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

The minutes of Stakeholders Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Redressal of Investor Grievances

The Company and its Registrar & Transfer Agent addresses all complaints, suggestions, and grievances expeditiously and replies are sent usually 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

During the year under review, a total of 22 investors' complaints were received and resolved pertaining to Equity Shares of the Company. There was no unattended or pending investor grievance as on March 31, 2019. No queries/complaints received pertaining to Non-Convertible Debentures of the Company during the year.

D. Corporate Social Responsibility (CSR) Committee

The Company has constituted CSR Committee as per the provisions of Section 135 of Companies Act, 2013 and rules framed thereunder.

The present composition of CSR Committee is as under:

Name of Members	Designation	Category
Dr. Sonal V. Ambani	Chairperson	Independent & Non-Executive Director
Shri Prayasvin B. Patel	Member	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent &Executive Director

The CSR Committee met once during the Financial Year on May 4, 2018.

Attendance at CSR Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Dr. Sonal V. Ambani	1	1
Shri Prayasvin B. Patel	1	1
Shri Prashant C. Amin	1	1

The Company Secretary acts as a secretary to the Committee.

The minutes of the CSR Committee are reviewed by the Board of Directors at the subsequent Board Meetings.

E. Risk Management Committee

Even though it is not mandatory, your Company has constituted a Risk Management Committee. The Committee laid down the procedures to inform the Board about the risk assessment and its mitigation.

The Risk Management Committee comprises of the following persons:

Name of Members	Designation	Category
Shri Prayasvin B. Patel	Chairman	Chairman & Managing Director
Shri Prashant C. Amin	Member	Executive Director
Mr. Rajkumar Pania	Member	Business Support Management
Mr. M. M. Nanda	Member	CEO (Gear Division)

Mr. J. S. Patel	Member	CEO(MHE Division)

The Committee met Four times on the following dates during the last financial year:

18.04.2018	17.07.2018	17.10.2018	25.01.2019

Attendance at Risk Management Committee Meetings:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Prayasvin B. Patel	4	-
Shri Prashant C. Amin	4	4
Mr. Rajkumar Pania	4	4
Mr. M. M. Nanda	4	4
Mr. J. S. Patel	4	4

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

The Board of Directors at its meeting reviewed the risk register as approved by the Risk Management Committee.

F. Management Committee:

In addition to the above Committees, the Board has reconstituted a Management Committee comprising of following Directors to transact certain routine but urgent businesses:

Name of Members	Designation	Catagory
Shri Prayasvin B. Patel	Chairman	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Executive Director
Shri Jal R. Patel	Member	Independent & Non-Executive Director
Shri. Jai S. Diwanji	Member	Independent & Non-Executive Director

The Management Committee met Twice during the Financial Year on December 20, 2018 and February 7, 2019 respectively.

Further during the year under review, the Management Committee passed the resolution by circulations on February 27, 2019 and March 1, 2019.

Attendance at Management Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Prayasvin B. Patel	2	2
Shri Prashant C. Amin	2	2
Shri Jal R. Patel	2	2
Shri. Jai S. Diwanji	2	2

The Company Secretary acts as a secretary to the Committee.

The minutes of the Management Committee are reviewed by the Board of Directors at the subsequent Board Meetings.

3. GENERAL BODY MEETINGS:

A. GENERAL MEETING

Location, date and time of General Meetings held during last 3 years:

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolution(s) Passed
2015-16	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	26-07-2016	Tuesday	05.00 p.m.	1

2016-17	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	03-08-2017	Thursday	02.00 p.m.	2
2017-18	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	26-09-2018	Wednesday	02.00 p.m.	2
2017-18	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	EGM	30-03-2019	Saturday	11.00 a.m.	2

Postal Ballot

During the year under review, no resolution was passed through Postal Ballot process.

Special resolutions proposed to be conducted through Postal Ballot

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

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 has been provided to all members, to enable them to cast their votes electronically. The Company engaged 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.

Subsidiary Companies

The Company has 12 Direct & Indirect Subsidiary Companies. The subsidiaries of the Company function with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Company monitors performance of subsidiary companies, interalia, by following means:

a) Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

b) Minutes of material unlisted subsidiary company, if any, be placed before the Board of the Company regularly. As on date, the Company do not have any material unlisted subsidiary Company.

c) A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings. The risk factors and project reports of the Subsidiary Companies are also reviewed by the Audit Committee of the Company.

Related party transactions

Full disclosure of related party transactions in compliance with Indian Accounting Standard - 24 notified by the Ministry of Corporate Affairs are given in the Notes to Financial Statements. All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business as defined under the Act, and Regulation 23 of the Listing Regulations. There were no materially significant related party transaction during the financial year which were in conflict with the interest of the Company.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Related-Party-Transactions-Policy-2017.pdf.

Details of Non-Compliance by the Company and penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any Statutory Authorities on any matter related to capital market during the last three years.

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to Capital Market during last three years.

All Returns/Reports were filed within stipulated time with Stock Exchanges/other authorities.

No penalties or strictures were imposed by SEBI, Stock Exchanges or any Statutory Authorities for any matter relating to Capital Market during last three years.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Indian Accounting Standard notified by the Ministry of Corporate Affairs. The significant accounting policies applied in preparation and presentation of financial statements has been set out in the Notes to Financial Statements.

Dividend History

Year	Rate (%)	Per Share (₹)	Amount (₹ in lakhs)
2011-2012	90%	1.80	1,671.51
2012-2013	50%	1.00	1,089.36
2013-2014	50%	1.00	1,089.36
2014-2015	55%	1.10	1,198.29
2015-2016	55%	1.10	1,198.29
2016-2017	25%	0.50	561.00
2017-2018	10%	0.20	224.40
2018-2019*	10%	0.20	224.40

*Subject to the approval by members at the 59th Annual General Meeting.

Stock Options / Convertible instruments

The Company has not issued any Stock options / Convertible instruments to its Directors/Employees.

Green Initiative

Electronic copies of the Annual Report 2018-19 and the Notice of the 59th Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies are sent through the permitted mode.

4. MEANS OF COMMUNICATION

a) Quarterly, Half-yearly and Annual Results:

The quarterly/ half yearly and annual financial statements are normally published in prominent daily newspapers viz. The Economic Times, Financial Express, The Business Standard, The Hindu Business Line, Naya Padkar, Jay Hind having wide circulation across the country and also displayed on the website of the Company on **www.elecon.com**.

b) The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the investors.

c) The Company's financial results and official news releases and the presentation made to the investors, financial analyst are displayed on the Company's website **www.elecon.com.**

d) Management Discussion and Analysis Report is attached with the Board's Report in this Annual Report.

5. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time	:	September 17, 2019 at 10.00 a.m.
Venue	:	Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Gujarat.
b) Financial Calendar	:	April 01 to March 31
c) Date of Book Closure	:	Wednesday, September 11, 2019 to Tuesday, September 17, 2019 (both days inclusive).
d) Dividend Payment Date	:	Credit/dispatch of Dividend Warrants on or after Friday, 20th September, 2019.

e) Listing on Stock Exchange :

Securities	Name & address of the Stock Exchanges and Stock Code
Equity Shares	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (Stock Code: 505700) The National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. (Stock Code: ELECON)

Non-Convertible Debentures	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. (Stock Code: 505700)

The Company has paid the Annual Listing fees to the Stock Exchanges for the Financial Year 2018-19.

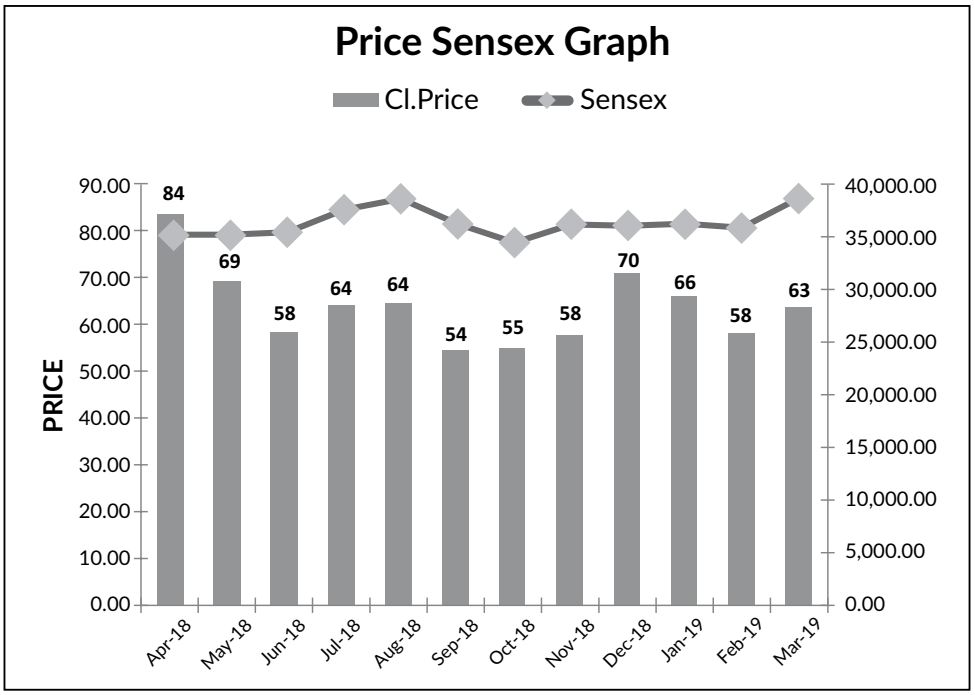
f) Demat ISIN in NSDL and CDSL

- **For Equity Shares:** INE 205B01023
- **For Non-Convertible Debentures:** Series I - INE205B07046
  Series II - INE205B07038

g) Stock Market Price Data : Monthly share price movement during the year 2018-19 at BSE & NSE

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April – 2018	88.70	77.00	21,95,931	88.65	75.95	73,49,157
May – 2018	85.50	60.75	13,43,645	85.50	60.50	47,83,179
June – 2018	69.95	56.85	8,82,773	69.95	56.75	35,14,830
July – 2018	64.85	54.45	8,47,905	64.80	54.50	32,30,650
August – 2018	73.65	62.55	9,18,093	73.50	62.00	58,93,160
September – 2018	65.75	52.25	3,18,164	65.90	52.20	18,98,311
October – 2018	55.80	48.45	4,60,033	56.65	48.30	29,79,358
November – 2018	65.55	53.65	7,06,814	65.95	53.40	28,29,717
December – 2018	71.25	54.00	7,47,150	71.30	53.85	26,49,167
January – 2019	74.80	59.35	4,80,895	75.00	59.35	23,51,412
February – 2019	67.50	52.70	4,64,251	67.55	52.30	12,84,208
March – 2019	69.50	57.60	4,51,934	70.00	57.35	25,23,045

Performance in comparison to board-based indices such as BSE Sensex



h) **Registrar & Transfer (R&T) Agent:**

The Company has appointed following R & T Agent for Physical Transfer & Demat of the Shares and Non-convertible Debentures:

M/s. Link Intime India Pvt. Ltd.
B-102/103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020
Email: vadodara@linkintime.co.in
Phone: 0265-2356573, 2356794,
Fax.: 0265-2356791
Contact Person: Shri Alpesh Gandhi

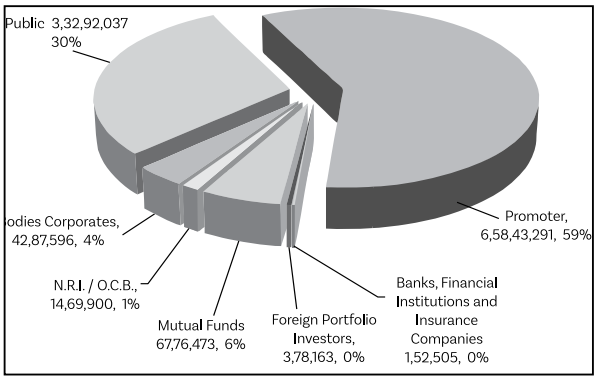
Shareholders are requested to correspond directly with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.

i) **Share Transfer System:**

The Company's Shares are in compulsory Demat List and are transferable through the Depository system. Demat transfers as well as physical transfers are handled by M/s. Link Intime India Pvt. Ltd. having their registered head office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 and branch office at the address mentioned above.

j) **Shareholding Pattern as on March 31, 2019**

Category	No. of Shares held	(%) of total
Promoters	6,58,43,291	58.68
Banks, Financial Institutions and Insurance Companies	1,52,505	0.14
Foreign Portfolio Investors	3,78,163	0.34
Mutual Funds	67,76,473	6.04
N.R. I. / O.C. B.	14,69,900	1.31
Bodies Corporate	42,87,596	3.82
Public	3,32,92,037	29.67
TOTAL	**11,21,99,965**	**100.00**



Shareholding Pattern

k) **Distribution of Shareholding as on March 31, 2019**

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	35,281	81.35	58,47,226	5.21
501 - 1000	3,790	8.73	31,27,553	2.79
1001 - 2000	2,077	4.78	31,30,568	2.79
2001 - 3000	734	1.69	19,01,059	1.69
3001 - 4000	311	0.71	11,11,752	0.99
4001 - 5000	304	0.70	14,40,130	1.28
5001 - 10000	427	0.98	31,35,541	2.79
Above 10001	444	1.02	9,25,06,136	82.45
TOTAL	**43,368**	**100.00**	**11,21,99,965**	**100.00**

l) **Dematerialization of Shares and Liquidity**

As on March 31, 2019, 11,01,28,040 Shares were in dematerialized form representing 98.15% of total Shares. The Company's shares are traded on the BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

m) **Outstanding GDRs/ADRs/Warrants or any other convertible Instruments, conversion date and likely impact on equity as on March 31, 2019:**

There is no outstanding GDRs/ADRs/Warrants or any other Convertible Instruments as on March 31, 2019.

n) **Unclaimed Dividend**

As per the provisions of Section 124 read with Section 125 of Companies Act, 2013, the Company is required to transfer the dividend remained unclaimed and unpaid for a period of seven consecutive years from the due dates to the Investor Education and Protection Fund (IEPF) set up by the Central Government. During the year, the unclaimed dividend pertaining to the financial year 2010-11 has been transferred to the Investor Education & Protection Fund.

Here below are the proposed dates for transfer of the unpaid dividend to IEPF by the Company:-

Financial Year	Date of declaration	Proposed date for transfer to IEPF*	Amount (₹ in lakhs) lying unpaid as on 31.03.2019
2011-2012	31-07-2012	30-08-2019	26.86
2012-2013	26-08-2013	25-09-2020	10.89
2013-2014	04-08-2014	03-09-2021	11.75
2014-2015	14-08-2015	13-09-2022	20.73
2015-2016	26-07-2016	25-08-2023	19.52
2016-2017	03-08-2017	02-08-2024	10.29
2017-2018	26-09-2018	30-10-2025	3.40
Total amount lying unpaid as on March 31, 2019			**103.44**

*Indicative dates, actual dates may vary.

o) **NECS Facilities**

The Company uses National Electronic Clearing Services (NECS) for remitting dividend to shareholder wherever available. NECS operates on new and unique bank account number allotted by the banks post implementation of Core Banking Solutions (CBS). Members are requested to provide their new account number allotted to them by the irrespective banks after implementation of CBS to the Company in case shares are held physically and to the depository participants in respect of shares held by them in dematerialized form.

p) **Unclaimed Shares**

At the beginning of the year as on April 1, 2018 aggregate 80,895 Nos. (Eighty Thousand Eight Hundred Ninety Five) Equity Shares of ₹ 2/- each was lying unclaimed in Elecon Engineering Co. Ltd. – Unclaimed Suspense Account. During the year 6 Nos. (Six) shareholders have claimed total 830 Nos. (Eight Hundred Thirty) Equity Shares of ₹ 2/- each and total 10,240 Nos. (Ten Thousand Two Hundred Forty) Equity Shares of ₹ 2/- was transferred to IEPF authority demat account pursuant to IEPF rules. The Closing balance of Unclaimed Suspense Account as on March 31, 2019 was 69,825 Nos. (Sixty Nine Thousand Eight Hundred Twenty Five) Equity Shares of ₹ 2/- each and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

q) **Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Authority**

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF after complying with the procedure laid down under the Rules.

The Company is in compliance with the aforesaid provisions and the Rules made thereunder, transferred total 49,405 number of equity shares of 236 folios of which dividends had remained unpaid or unclaimed for a period of seven consecutive years or more, to the demat account of IEPF Authority.

The shareholders who have a claim on above shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website **www.iepf.gov.in** and sending a physical copy of the same, duly signed to the Company, alongwith requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred to IEPF.

r) **Plant Locations : Works**

1. Gear Division
   Anand-Sojitra Road,
   Vallabh Vidyanagar - 388 120, Gujarat
2. Material Handling Equipment Division
   Anand-Sojitra Road,
   Vallabh Vidyanagar - 388 120, Gujarat

3. Alternate Energy Division
Anand-Sojitra Road,
Vallabh Vidyanagar – 388120, Gujarat.

Address of Regd. Office : Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120. Gujarat.

Internet Website : www.elecon.com

Address for Correspondence:

The Shareholders may address their communications/suggestions/grievances/queries to:

Smt. Bharti Isarani
Company Secretary & Compliance Officer
Elecon Engineering Company Limited
Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Tal.& Dist. Anand (Gujarat)
Tel No. (02692) 227109, 230166, Fax No. (02692) 227020, 227484,
Email address : investor.relations@elecon.com

6. Credit Rating

Following is the list of credit ratings obtained by the Company from Brickwork Ratings India Private Limited (BWR) during the Financial Year 2018-19:

Instrument Details	Amount (Rs. in Crores)		Previous Rating	Current Rating
	Previous	Present		
Long Term Loans	179.75	144.43	BWR A- (Pronounced as BWR A Minus) (Outlook - Negative)	BWR A- (Pronounced as BWR A Minus) (Outlook - Stable)
Fund Based Working Capital	323.00	318.00		
Non-Fund Based Working Capital	779.00	795.00		

Besides above, the Company had obtained the Credit Ratings as BWR A- (Outlook - Stable) for Non-Convertible Debentures issued in one/more series or one/more tranches of series upto ₹ 150.00 crores on Private Placement basis provided by Brickwork Ratings India Private Limited (BWR).

7. COMPLIANCE WITH MANDATORY / DISCRETIONARY REQUIREMENTS

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

The status on the compliance with the discretionary requirements as specified in Listing Regulations and Part E of Schedule II of SEBI (LODR) Regulations, 2015 is as under:

- **The Board**
  The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company, since the Chairman of the Company is an Executive Director.
- **Shareholders rights**
  The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- **Modified opinion(s) in audit report**
  The Company's Standalone & Consolidated Financial Statements for the year ended on March 31, 2019 are with unmodified audit opinion.
- **Reporting of Internal Auditors**
  The Internal Auditors report to the Audit Committee, Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

8. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a policy for prevention of sexual harassment at the work place in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the above Act.

The following is the summary of sexual harassment complaints received and disposed off during the current financial year:

1. Number of Complaints received : Nil

2. Number of Complaints disposed off : Nil
3. Number of pending Complaints: Nil

9. **Debenture Trustee**

During the year under review, the Company had issued 1000, 12.25% Senior, Secured, Rated, Redeemable, Listed Non-Convertible Debentures on Private Placement basis. The details of Debenture Trustee are as under:

VISTRA ITCL (INDIA) LIMITED
The IL&FS Financial Centre, Plot C-22,
G - Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400 051.
Tel: +91 22 2659 3219
Fax: +91 22 2653 3297
Contact Person: Mr. Jatin Chonani
E-mail: itclcomplianceofficer@vistra.com
SEBI Reg No.: IND000000578

10. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Standalone Financial Statements and Note 32 to the Consolidated Financial Statements.

During the year under review, the payments made to the entities in the network firm/network entity of which the statutory auditors are a part, are approximately ₹ 25.75 lakh.

11. **The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Regulation 46(2)**

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	*Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

*Risk Management Committee has been constituted voluntarily.

12. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

During the period under review, it is not applicable to the Company.

CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.
Dist. Anand, Gujarat.

We have examined the compliance of the conditions of Corporate Governance by **Elecon Engineering Company Limited** for the year ended on **March 31, 2019** as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), pursuant to the Listing Agreement of the said Company with Stock Exchanges.

We state that in respect of investor grievance received during the year ended on **March 31, 2019,** no investor grievances are pending/unattended 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 **Kiran Vaghela & Associates**
Company Secretaries

Kiran Vaghela
Proprietor
C. P. No. : 18617

Place : Anand
Date : May 7, 2019

DECLARATION

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

I, Prayasvin B. Patel, Chairman and Managing Director of the Company, do hereby declare that all members of the Board of Directors (Including Independent Directors) and Senior Management Personnel of the Company have affirmed to exercise their authorities and powers and discharged their duties and functions in accordance with the requirement of the Code of Conduct as prescribed by the Company and have adhere to the provisions of the same, for the financial year ended on March 31, 2019.

For, Elecon Engineering Company Limited,

Prayasvin B. Patel
Chairman & Managing Director
DIN : 00037394

Place : Vallabh Vidyanagar
Date : May 7, 2019

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill up the details in the form attached (refer page no. 223 of the Annual Report) and register the same with M/s. Link Intime India Pvt. Ltd., Vadodara. **Postage for sending the form will be borne by the Company.**

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Elecon Engineering Company Limited ("the Company") to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2019, which are fraudulent, illegal or violate of the Company's Code of Conduct or ethics policy.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee-

  (i) there are no significant changes in internal control over financial reporting during the financial year ended on March 31, 2019;

  (ii) there are no significant changes in accounting policies during the financial year ended on March 31, 2019 and that the same have been disclosed in the notes to the financial statements; and

  (iii) there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Elecon Engineering Company Limited,

Prayasvin B. Patel
Chairman & Managing Director

Kamlesh Shah
Chief Financial Officer

Place : Vallabh Vidyanagar
Date : May 7, 2019

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ELECON ENGINEERING COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Elecon Engineering Company Limited ("the Company"), which comprise of the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue Recognition – Customer contracts

With respect to accounting policies applied, please refer to Note 2 to the standalone financial statements.

The key audit matter	How the matter was addressed in our audit
A portion of the revenues of the Company relates to long-term construction contracts and is recognised according to the progress of the individual projects in accordance with Ind AS 115, *Revenue from Contracts with Customers*, generally based on the extent of progress towards completion. The determination of the progress of the contract based on percentage of completion requires to a large extent estimates and judgements, which are based, among other factors, on continually revised planning and other management assessments. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations, total estimated contract costs, remaining costs to completion and total estimated contract revenues, as well as contract risks. Revenue from such contracts aggregates ₹ 30,830.97 Lakhs for the year ended 31 March 2019 (₹ 22,118.62 Lakhs for the year ended 31 March 2018)	**Our audit approach** We assessed the procedure for estimating total contract costs, the method for determining progress of contract as well as the design and implementation of controls to ensure proper planning and management assessments. We performed the following audit procedures for a sample of long-term construction contracts specifically selected on the basis of risk: • interviewing management on estimates of the total contract costs, risks involved and status of the projects; • assessing reasonableness of the significant estimates and judgements that the management has made in connection with long-term customer contracts. Our focus, among others, was on the assessment of the underlying current cost reports of the customer contracts, the posting logic and on the estimates of those responsible for the projects; • assessing computational accuracy of the stage of completion determined as well as any losses anticipated and also the proper accounting treatment of construction contracts. • evaluation appropriateness of the disclosures in the standalone financial statements..

Revenue Recognition – Customer contracts (Contd...)

With respect to accounting policies applied, please refer to Note 2 to the standalone financial statements.

The key audit matter	How the matter was addressed in our audit
Trade receivables (including retention monies) aggregate to ₹ 54,669.81 Lakhs are reported in the standalone financial statements of the Company as at 31 March 2019. The decision as to whether trade receivables are impaired due to anticipated collectability requires judgment and depends on a number of assumptions regarding the ability and willingness of the customers to pay. Indicators of non-collectibility that are considered are: past due receivables, financial and economic difficulties of customers and also any performance issues relating to the product or service supplied by the Company. The risk for the standalone financial statements is that the impairment of trade receivables (including retention monies) from third parties is either recognized too late or not in the amount necessary.	**Our audit approach** We evaluated the process for monitoring past due trade receivables (including retention monies) as well as the design and implementation of control around recognition of impairment losses. We critically reviewed the impairment of a selection of past due receivables selected on the basis of risk, ageing and volume. For this purpose, we analysed ageing of receivables and impairment losses over the course of the year, compared them to historical experience with the debtors concerned, and interviewed the responsible Elecon management and staff regarding credit worthiness of the customers. We also evaluated Elecon management's assessment of credit loss rate as per expected credit loss model (ECL) as prescribed in Ind AS 109 *Financial Instruments* for each segment of customers based on the experience of actual credit losses over past year, adjusted to reflect current economic conditions over the expected life of their receivables and the related disclosures in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) 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.

   A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-B".**

B) With respect to the 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 22 to the standalone financial statements; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

C) With respect to the matter to be included in Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS – YEAR ENDED 31ST MARCH 2019

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which all the items are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, part of the property, plant and equipment were physically verified by the management in the current year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment as disclosed in the standalone financial statements, are held in the name of the Company.

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans given and investment made.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax and other material statutory dues as applicable to the Company, have been generally regularly deposited during the year by the Company with the appropriate authorities, except in case of Goods and Services Tax where there are have been few delays. The Company is not having any dues in respect of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise Duty, Customs Duty, Value Added Tax, Goods and Services Tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable, except in the case of interest on delayed payments of Goods and Services Tax aggregating to INR 56.11 Lakhs which are outstanding for more than six months. In respect of Provident Fund, as explained in Note 40 to the standalone financial statements, pending clarity on the matter, the Company is currently unable to determine the extent of arrears of such Provident Fund outstanding as at 31 March 2019 for a period of more than six months from the date they become payable and hence, we are unable to comment on such Provident Fund arrears, if any.

Name of Statute	Nature of Dues	Amount (Rs in lakhs)	Period to which amount relates	Due Date	Date of Payment	Remarks
Goods and Services Tax	Interest on late payment	8.51	March 2018	20 April 2018	-	Not yet paid
Goods and Services Tax	Interest on late payment	0.36	April 2018	20 May 2018	-	Not yet paid

Goods and Services Tax	Interest on late payment	10.46	May 2018	20 June 2018	-	Not yet paid
Goods and Services Tax	Interest on late payment	36.22	June 2018	20 July 2018	-	Not yet paid
Goods and Services Tax	Interest on late payment	0.56	July 2018	20 August 2018	-	Not yet paid

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, other than those mentioned in the Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks and financial institutions and dues to debenture holders during the year. The Company did not have any outstanding loans and borrowings to Government during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Company's management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / accrued for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions within the meaning of section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - MARCH 31, 2019 (Contd...)

Appendix – I

Sr. No	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)*	Period to which amount related	Forum where the Dispute is pending
1	Finance Act, 1944	Service tax including penalty	6,655.85	2003 to 2018	CESTAT Ahmedabad
2	Finance Act, 1944	Service tax including penalty	448.29	2007 to 2010, 20012 to 2015	Central Excise Commissioner (Appeal) Vadodara
3	Central Excise Act, 1944	Excise duty including penalty	32.47	2011-12 to 2012-2013	Central Excise Commissioner (Appeal) Vadodara
4	Central Sales Tax Act, 1956 and Value added tax of various States.	Sales Tax / Work Contract Tax	45.24	2013-14	Joint Commissioner of Commercial Tax (Appeal) Vadodara
5	Central Sales Tax Act, 1956 and Value added tax of various States.	Sales Tax / Work Contract Tax	233.39	1991-92 to 1995-96	Odisha High Court
6	Central Sales Tax Act, 1956 and Value added tax of various States.	Sales Tax / Work Contract Tax	191.60	2006-07, 2009-10	Dy. Commissioner of Commercial Tax, Maharashtra
7	Central Sales Tax Act, 1956 and Value added tax of various States.	Sales Tax / Work Contract Tax	640.18	2009-2015	Commissioner, Of Commercial Tax, West Bengal
8	Central Sales Tax Act, 1956 and Value added tax of various States.	Sales Tax / Work Contract Tax	0.21	2014-15	Commissioner (Appeals) of Commercial tax, UP
9	Income Tax Act, 1961	Tax including interest	-	AY 2007-08 and 2012-13	ITAT
10	Income Tax Act, 1961	Tax including Interest	2,378.89	AY 2009-10, 2013-14 to 2016-17	CIT (Appeals) Vadodara

* INR 901.85 Lakhs have been deposited under protest.

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Elecon Engineering Company Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements 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 ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

STANDALONE BALANCE SHEET

as at March 31, 2019

(₹ in Lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	67,136.28	70,796.27
(b) Capital work-in-progress	3	460.93	108.20
(c) Investment property	4	273.37	287.75
(d) Intangible assets	5	612.99	532.79
(e) Intangible assets under development	5	24.50	24.50
(f) Financial assets			
(i) Investments	6	16,022.18	16,039.32
(ii) Loans	7	52.43	117.01
(iii) Other financial assets	8	59.45	1.51
(g) Non-current tax assets (net)	9	2,000.14	1,764.41
(h) Other non-current assets	10	2,331.90	2,370.11
Total non-current assets		**88,974.17**	**92,041.87**
II. Current assets			
(a) Inventories	11	23,882.56	20,064.63
(b) Financial assets			
(i) Trade receivables	12	54,669.81	62,311.80
(ii) Cash and cash equivalents	13	352.75	831.70
(iii) Bank balance other than (ii) above	13	455.91	2,470.72
(iv) Loans	7	484.06	581.62
(v) Other financial assets	8	19,629.23	10,198.59
(c) Other current assets	14	6,262.98	6,973.36
Total current assets		**105,737.30**	**103,432.42**
Total assets		**194,711.47**	**195,474.29**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	2,244.00	2,244.00
(b) Other Equity	16	71,757.37	70,829.88
Total equity		**74,001.37**	**73,073.88**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	21,694.00	14,458.11
(b) Non-current provisions	18	450.79	421.84
(c) Deferred tax liabilities (net)	35	8,011.67	6,785.98
Total non-current liabilities		**30,156.46**	**21,665.93**

STANDALONE BALANCE SHEET (Contd...)
as at March 31, 2019

(₹ in Lakhs)

Particulars			Notes	March 31, 2019	March 31, 2018
II.	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	17	23,429.46	31,250.67
		(ii) Trade payables	19		
		- Total outstanding dues of micro and small enterprises		7,791.33	4,768.97
		- Total outstanding dues of creditors other than micro and small enterprises		26,436.68	32,218.26
		(iii) Other financial liabilities	20	17,949.48	13,345.47
	(b)	Other current liabilities	21	11,702.92	16,429.13
	(c)	Provisions	22	1,549.09	1,364.48
	(d)	Current tax liabilities (net)	23	1,694.68	1,357.50
		Total current liabilities		**90,553.64**	**100,734.48**
		Total liabilities		**120,710.10**	**122,400.41**
		Total equity and liabilities		**194,711.47**	**195,474.29**

The accompanying notes form an integral part of the standalone financial statements. 2 - 45

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	24	95,374.56	91,953.72
Other income	25	2,374.30	1,055.72
Total income (I)		**97,748.86**	**93,009.44**
Expenses			
Cost of materials consumed	26	44,860.62	37,863.71
Changes in inventories of finished goods and work-in-progress	27	(2,421.86)	2,307.25
Manufacturing expense and erection charges	28	21,039.89	20,684.87
Excise duty expense		-	827.07
Employee benefits expense	29	7,286.99	6,629.44
Finance costs	30	6,408.15	6,676.46
Depreciation and amortisation expense	3,4 & 5	4,357.75	4,807.20
Other expenses	31	13,431.66	12,704.77
Total expenses (II)		**94,963.20**	**92,500.77**
Profit before tax (I - II)		**2,785.66**	**508.67**
Tax expense	35		
Current tax		-	604.69
Adjustment of tax relating to earlier periods		345.40	(532.28)
Deferred tax charge / (credit)		1,232.97	(372.11)
Total tax expense		**1,578.37**	**(299.70)**
Profit for the year		**1,207.29**	**808.37**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability)/ asset		(16.55)	17.54
Income tax Relating to above		7.28	(6.13)
Other comprehensive income (net of tax) for the year		**(9.27)**	**11.41**
Total comprehensive income for the year		**1,198.02**	**819.78**
Earnings per equity share	34		
Equity Share of face value INR 2/- each			
Basic		1.08	0.72
Diluted		1.08	0.72
The accompanying notes form an integral part of the standalone financial statements.	2-45		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Equity Share Capital	Other equity					Total Equity
		General Reserve	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	
Balance as at April 1, 2017	**2,244.00**	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**19,415.97**	**72,929.30**
Profit for the year	-	-	-	-	-	808.37	808.37
Remeasurements of post-employment benefit obligation, (net of tax) accounted through Other comprehensive income	-	-	-	-	-	11.41	11.41
Dividends paid	-	-	-	-	-	(561.00)	(561.00)
Dividend distribution tax	-	-	-	-	-	(114.20)	(114.20)
Balance as at March 31, 2018	**2,244.00**	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**19,560.55**	**73,073.88**
Balance as at April 1, 2018	**2,244.00**	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**19,560.55**	**73,073.88**
Profit for the year	-	-	-	-	-	1,207.29	1,207.29
Transferred during the year	-	-	2,500.00	-	-	(2,500.00)	-
Remeasurements of post-employment benefit obligation, (net of tax) accounted through Other comprehensive income	-	-	-	-	-	(9.27)	(9.27)
Dividend paid	-	-	-	-	-	(224.40)	(224.40)
Dividend distribution tax	-	-	-	-	-	(46.13)	(46.13)
Balance as at March 31, 2019	**2,244.00**	**44,132.78**	**2,500.00**	**2,878.14**	**4,258.41**	**17,988.04**	**74,001.37**

For description of reserves refer note 16

The accompanying notes form an integral part of the standalone financial statements. 2-45

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

STANDALONE STATEMENT OF CASH FLOWS
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before Tax	**2,785.66**	**508.67**
Adjustments for:		
(i) Depreciation and amortisation expense	4,357.75	4,807.20
(ii) Finance costs	6,408.15	6,676.46
(iii) (Gain)/loss on fair valuation of investment	17.13	(14.52)
(iv) (Gain) on sale of property plant and equipment (net)	(32.68)	(128.75)
(v) Interest income	(702.75)	(201.92)
(vi) Dividend income	(48.28)	(48.84)
(vii) Bad debts written off	3,685.91	307.40
(viii) Balances written back	(1,090.73)	-
(ix) Sundry balances written off	746.62	-
(x) Unrealised exchange (gain)	(1.32)	(118.19)
(xi) Provision for Other contractual liability & warranty	1,091.91	(110.29)
(xii) Reversal of provision for onerous contract	(955.77)	(411.02)
(xiii) Provision for doubtful debts	-	438.19
(xiv) Excess provision on doubtful debt written back	(3,306.73)	-
	12,954.87	**11,704.39**
Working Capital Adjustments		
Decrease/(increase) in trade receivables	6,509.09	(4,201.51)
(Increase)/decrease in inventories	(3,817.93)	3,118.85
(Increase) in financial assets	(9,268.50)	(8,079.64)
Decrease in other current and non-current assets	921.16	201.92
(Decrease)/increase in trade payables	(1,660.08)	7,383.37
(Decrease) in provisions, current and non-current liabilities	(4,665.34)	(622.07)
Increase in other financial liabilities	6,372.18	1,021.70
Cash generated from operations	**7,345.45**	**10,527.01**
Taxes paid (net of refunds)	(243.95)	77.35
Net cash generated from operating activities (A)	**7,101.51**	**10,604.36**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	100.57	1,131.90
Interest received	702.75	201.92
Dividend received	48.28	48.84
Bank balances not considered as cash and cash equivalent (net)	1,946.69	(2,356.55)
Proceeds from sale of investments	-	-
Payments for purchase of investments	-	(3,249.38)
Payments for purchase of property, plant and equipment	(1,437.45)	(2,264.07)
Net cash generated from/(used in) investing activities (B)	**1,360.84**	**(6,487.34)**
Cash flow from financing activities		
Proceeds from non current borrowings	9,974.57	12,446.59
Repayment of borrowings (net) (Note 3)	(12,260.76)	(8,888.23)
Finance cost paid	(6,384.58)	(6,639.32)
Dividend paid (including dividend distribution tax)	(270.53)	(675.20)
Net cash (used in) financing activities (C)	**(8,941.30)**	**(3,756.16)**

STANDALONE STATEMENT OF CASH FLOWS (Contd...)
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(478.95)**	**360.86**
Cash and cash equivalents at 1 April (Refer note 13)	**831.70**	**470.84**
Cash and cash equivalents at 31 March (Refer note 13)	**352.75**	**831.70**
Components of cash & cash equivalents :		
Cash on hand	0.02	0.02
Balances with banks		
- In current accounts	352.73	786.68
Cheques on hand	-	45.00
	352.75	**831.70**

Notes:

1. Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.
2. The above *Statement of Cash Flow* has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) - *Statement of Cash Flows.*
3. In accordance with para 22 of Ind AS 7 - *Statement of Cash Flow*, cash flows from current borrowings have been reported on net basis since these being working capital facilities, the maturities are short.
4. Movement in financial liabilities and financial assets arising from financing activities as at March 31, 2019:

Particulars	Borrowings	Dividends paid (including taxes)	Finance costs
Balance at the beginning of the year	49,696.74	-	188.15
Proceeds from borrowings	9,974.57	-	-
Repayment of borrowings	(12,260.76)	-	-
Dividends paid (including taxes)	-	(270.53)	-
Interest paid	-	-	(6,384.58)
Net cash outflows	**47,410.55**	**(270.53)**	**(6,196.43)**
Charge to statement of profit and loss	-	-	6,408.15
Foreign exchange fluctuation	-	-	-
Balance at the end of the year	**47,410.55**	**-**	**211.72**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
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Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

ACCOUNTING POLICIES FOR STANDALONE FINANCIAL STATEMENTS

1. Reporting entity

Elecon Engineering Company Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat.

The Company is involved in the design and manufacturing of Material Handling Equipments and Industrial Gears and also involved in providing erection and commissioning solutions for its products.

2. Basis of preparation

2.1 Statement of compliance

Standalone financial statements of the Company comprises, the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Standalone financial statements"). These standalone financial statements 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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 2.5.

2.2 Basis of measurement

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

Items	Measurement basis
Investments in certain equity shares of entities other than subsidiaries and associates	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.3 Use of estimates and judgments

In preparing these standalone financial statements, the Company's management ('the Management') has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- **Note 6** – identification of whether the Company has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- **Note 4** – identification of the land &/or building is an investment property.
- **Note 36** – determining the amount of expected credit loss on financial assets (including trade receivables).
- **Note 45** – lease classification
- **Note 42** – identification of reportable operating segments; and
- **Note 24 and 2.5 k** – identification of performance obligation in revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments is included in the following notes:

- **Note 3-5** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.
- **Note 35** – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- **Note 39** – measurement of defined benefit obligations: key actuarial assumptions;

- **Notes 18, 23 and 40** – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 36** – impairment of financial assets and not financial assets;
- **Note 24 and 43** – Revenue recognition based on percentage of completion and provision for onerous contracts.

2.4 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 4** – investment property;
- **Note 36** – financial instruments.

2.5 Significant accounting policies

a) Business combinations

Business combinations (other than common control business combinations) on or after April 1, 2015.

As part of its transition to Ind AS, the Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after the date of transition to Ind AS i.e. 1 April 2015. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2.5 (i) (ii)). Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity.

Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations prior to April 1, 2015.

In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

b) Operating cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as 12 months.

c) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

d) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI – Equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Company

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Presently, all the financial liabilities are measured at amortised cost.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Details of useful life considered for depreciation along with method of depreciation are provided below:

- Plant and Machineries are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 5 to 35 years.
- Buildings are depreciated on Written Down Value Method (WDV) as per the estimated useful life of the asset: 10 to 60 years
- In respect of all other PPE depreciation is provided on WDV as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of assets outstanding at each Balance Sheet date are disclosed as "Other Non-Current Assets".

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of profit and loss.

f) Intangible assets

Internally generated: Research and development and software development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to amortise the cost of intangible assets over their estimated useful lives (6 years) using the straight-line method, and is included in depreciation and amortisation in Statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each reporting date and adjusted if appropriate.

g) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Based on technical evaluation the Management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over this period on a straight-line basis. This is different from the indicative useful life of relevant type of assets mentioned in Schedule II to the Companies Act 2013.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.

- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

i) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Company measures loss allowances at an amount equal to lifetime expected credit losses which are measured as 12 month expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime lifetime Expected credit losses (ECL) together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Employee benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

k) Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

The Company provides normal warranty provisions for general repairs for 18 months from date of material dispatched or 12 months from commissioning whichever is earlier on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

l) Revenue recognition

The Company adopted Ind AS 115 "Revenue from contracts with customers", with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Sale of goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

Revenue from services rendered is recognised when services are rendered.

Construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs in certain contracts or for other contracts is determined using output method. Revenue is the transaction price that the Company is entitled to. Variable consideration such as liquidated damages and price variation are included in the transaction price, if it is highly probable that the significant reversal of revenue will not occur once associated uncertainty is resolved. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in statement of profit and loss.

Performance Obligations

If a contract contains more than one distinct goods and service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices.

Transition

The Company has adopted Ind AS 115 prospectively whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated. The impact of the adoption of the Standard on the standalone financial statements of the Company as well as disclosure are given in note 43.

Rental income

Rental income from investment property is recognised as part of revenue from operations in statement of profit and loss on a straight-line basis over the term of the lease.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

m) Leases

Asset held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. For finance lease, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Lease payments

Payments made or received under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

o) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at

each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

p) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 42.

r) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

s) Investments in subsidiaries and associates

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

t) Recent accounting pronouncements but not yet effective

Ind AS 116, Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company is in the process of evaluating the requirement of amendment and its impact on standalone financial statements.

Amendments to Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

This interpretation, which will be effective from April 1, 2019, The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability clarifies how

entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

The Company is currently in process of evaluating the impact of this amendment on its standalone financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its standalone financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its standalone financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any significant impact on its standalone financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company currently does not have any joint operations or joint control and hence there is no impact on its standalone financial statements.

3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installations & fittings	Sundry Equipments	Total	Capital work in progress
Cost										
As at April 1, 2017	**34,353.51**	**6,370.88**	**41,980.79**	**531.65**	**307.78**	**2,226.80**	**1,611.65**	**309.15**	**87,692.21**	**98.97**
Additions	-	400.70	513.14	-	499.55	3.95	1.19	-	1,418.53	1,427.76
Deductions	(663.57)	(194.47)	(252.91)	-	(22.66)	(1.98)	-	-	(1,135.59)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,418.53)
As at March 31, 2018	**33,689.94**	**6,577.11**	**42,241.02**	**531.65**	**784.67**	**2,228.77**	**1,612.84**	**309.15**	**87,975.15**	**108.20**
Additions	-	122.99	232.71	129.48	4.90	37.79	31.28	0.63	559.78	912.52
Deductions	-	-	(56.35)	-	(51.06)	(0.01)	-	-	(107.42)	-
Capitalised	-	-	-	-	-	-	-	-	-	(559.78)
As at March 31, 2019	**33,689.94**	**6,700.10**	**42,417.38**	**661.13**	**738.51**	**2,266.55**	**1,644.12**	**309.78**	**88,427.51**	**460.93**
Accumulated depreciation										
As at April 1, 2017	**-**	**2,072.03**	**6,618.16**	**379.53**	**241.24**	**2,017.96**	**1,201.18**	**205.18**	**12,735.28**	
Depreciation for the year	-	508.42	3,694.35	40.35	133.34	47.94	110.87	40.75	4,576.02	
Deductions	-	(47.51)	(63.08)	-	(19.93)	(1.90)	-	-	(132.42)	
As at March 31, 2018	**-**	**2,532.94**	**10,249.43**	**419.88**	**354.65**	**2,064.00**	**1,312.05**	**245.93**	**17,178.88**	
Depreciation for the year	-	415.08	3,438.85	41.71	127.76	25.05	82.33	21.10	4,151.88	
Deductions	-	-	(13.77)	-	(25.76)	-	-	-	(39.53)	
As at March 31, 2019	**-**	**2,948.02**	**13,674.51**	**461.59**	**456.65**	**2,089.05**	**1,394.38**	**267.03**	**21,291.23**	
Net Block										
As at March 31, 2019	**33,689.94**	**3,752.08**	**28,742.87**	**199.54**	**281.86**	**177.50**	**249.74**	**42.75**	**67,136.28**	
As at March 31, 2018	33,689.94	4,044.17	31,991.59	111.77	430.02	164.77	300.79	63.22	70,796.27	

Notes :

1) Refer to note 17 for information on property, plant and equipment pledged as security by the Company.

2) For capital commitments, refer note 40 (b).

(₹ in Lakhs)

4. Investment properties

Particulars	Office Building	Total
Cost		
As at April 1, 2017	**335.62**	**335.62**
Additions	-	-
Deductions	-	-
As at March 31, 2018	**335.62**	**335.62**
Additions	-	-
Deductions	-	-
As at March 31, 2019	**335.62**	**335.62**
Accumulated depreciation		
As at April 1, 2017	**32.72**	**32.72**
Depreciation for the year	15.15	15.15
Deductions	-	-
As at March 31, 2018	**47.87**	**47.87**
Depreciation for the year	14.38	14.38
Deductions	-	-
As at March 31, 2019	**62.25**	**62.25**
Carrying amount (net)		
As at March 31, 2019	**273.37**	**273.37**
As at March 31, 2018	287.75	287.75

Information regarding income and expenditure of Investment Property

	Year Ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment property	12.30	11.72
Direct operating expenses (including repairs and maintenance) generating rental income	0.89	0.75
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	**11.41**	**10.97**
Less : Depreciation	**14.38**	**15.15**
Profit/(Loss) arising from investment property before indirect expenses	**(2.97)**	**(4.18)**

Notes :

1) Refer to Note 17 for information on property, plant and equipment pledged as security by the Company.

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

(₹ in Lakhs)

4. Investment properties (Contd...)

Fair value of the Investment property are as under:

Fair value	Office Building
Balance as at April 1, 2017	**530.26**
Fair value increase for the year	35.34
Purchases / (Sale)	-
Balance as at March 31, 2018	**565.60**
Fair value increase/(decrease) for the year	(121.42)
Purchases / (Sale)	-
Balance as at March 31, 2019	**444.18**

Estimation of fair value

As at March 31, 2019 and March 31, 2018 the fair values of the property are based on valuations performed by accredited independent valuer, who specialises in valuing investment property.

A valuation model used in determination of investment property's fair values is in accordance with the recommended valuation techniques by the International Valuation Standards Committee.

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including discounted cash flow projections based on reliable estimates of future cash flows.

The valuation of investment property as at March 31, 2019 is done based on income capitalisation method and March 31, 2018 is done based on market feedback on values of similar properties and hence considered under "Level 2" of fair value measurement.

(₹ in Lakhs)

5. Other Intangible Assets

	Computer Software	Technical Knowhow -Acquired	Licenses	Total	Intangibles under development
Cost					
As at April 1, 2017	**681.32**	**42.68**	**349.09**	**1,073.09**	**65.00**
Additions	118.07	-	-	118.07	77.57
Deductions	-	-	-	-	-
Capitalised	-	-	-	-	(118.07)
As at March 31, 2018	**799.39**	**42.68**	**349.09**	**1,191.16**	**24.50**
Additions	239.07	-	32.62	271.69	271.69
Deductions	-	-	-	-	-
Capitalised	-	-	-	-	(271.69)
As at March 31, 2019	**1,038.46**	**42.68**	**381.71**	**1,462.85**	**24.50**
Accumulated amortisation					
As at April 1, 2017	**211.16**	**34.25**	**196.93**	**442.34**	
Amortisation for the year	138.67	8.23	69.13	216.03	
Deductions	-	-	-	-	
As at March 31, 2018	**349.83**	42.48	**266.06**	**658.37**	
Amortisation for the year	162.30	0.09	29.10	191.49	
Deductions	-	-	-	-	
As at March 31, 2019	**512.13**	**42.57**	**295.16**	**849.86**	
Carrying amount (net)					
As at March 31, 2019	**526.33**	**0.11**	**86.55**	**612.99**	
As at March 31, 2018	449.56	0.20	83.03	532.79	

Note :

Computer software consists of capitalised development costs of Enterprise Resource Planning software being internally generated intangible assets.

(₹ in Lakhs)

6. Non-Current Financial assets - Investments

Particulars	March 31, 2019	March 31, 2018
Investment in subsidiary companies (Fully paid-up) (at cost) - Unquoted (refer note 2.5(s))		
(a) 1,75,36,292 equity shares (March 31, 2018 : 1,75,36,292 equity shares) of GBP 1 each of Elecon Transmission International Limited - Mauritius The Company has pledged 42,08,035 equity shares (March 31, 2018 : 42,08,035 equity shares) of Elecon Transmission International Limited, Mauritius with the Bank of Baroda, Dubai towards security for repayment of loan.	15,183.66	15,183.66
(b) 8,97,844 equity shares (March 31, 2018 : 8,97,844 equity shares) of S$ 1 each of Elecon Singapore Pte. Limited	247.60	247.60
(c) 600 equity shares (March 31, 2018 : 600 equity shares) of AED 1000 each of Elecon Middle East FZE	72.61	72.61
(A)	**15,503.87**	**15,503.87**
Investment in associates (Fully paid-up) (at cost) refer note 2.5(s)		
Quoted		
(a) 9,58,426 equity Shares (March 31, 2018 : 9,58,426 equity shares) of INR 10 each of Eimco Elecon (India) Limited The Company has pledged 4,76,000 equity shares (March 31, 2018 : 4,76,000 equity shares) of Eimco Elecon (India) Limited, with the Bank of Baroda, Dubai towards security for loan. Further, 1,00,000 equity shares (March 31, 2018 : 1,00,000 equity shares) of Eimco Elecon (India) Limited have been pledged for availing working capital demand loans.	217.29	217.29
(B)	**217.29**	**217.29**
Equity Shares		
Quoted Investments (Fully paid-up) (Fair Value through Profit and loss)		
(a) 2,500 equity shares (March 31, 2018 : 2,500 equity shares) of INR 10 each of HDFC Bank Limited	57.91	47.29
(b) 53,945 equity shares (March 31, 2018 : 53,945 equity shares) of INR 2 each of Bank of Baroda	69.48	76.71
(C)	**127.39**	**124.00**
Quoted Investments in Mutual Funds (Fair Value through Profit and Loss)		
(a) 6,37,047.49 units (March 31, 2018 6,37,047.49 units) of Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan (Pledged as security for term loan taken from a financial institution)	145.18	140.01
(D)	**145.18**	**140.01**

(₹ in Lakhs)

6. Financial Assets - Investments (Contd...)

Particulars	March 31, 2019	March 31, 2018
Unquoted Investments (Fully Paid-up) (Fair Value through Profit and Loss)		
(a) 2,00,000 equity Shares (March 31, 2018 : 2,00,000 equity shares) of INR 10 each of Eimco Elecon Electricals Limited	28.28	53.98
(b) 80 equity Shares (March 31, 2018 : 80 equity shares) of INR 10 each of Karamsad Urban Co-operative Limited #	0.01	0.01
(c) 100 equity Shares (March 31, 2018: 100 equity shares) of INR 10 each of Anand Auto Vehicle Owners Co-operative Credit Society Limited #	0.01	0.01
(d) 30 equity shares (March 31, 2018: 30 equity shares) of INR 500 each of Charotar Gas Sahakari Mandali Limited #	0.15	0.15
(E)	**28.45**	**54.15**
Total Investments (A+B+C+D+E)	**16,022.18**	**16,039.32**
Aggregate value of quoted investments (including investments in associates)	489.86	481.30
Aggregate market value of quoted investment (other than investments in associates)	272.57	264.01
Aggregate value of unquoted investments (including investments in subsidiaries and associates)	15,532.32	15,558.02

The Company's investments on disposal will fetch only the principal amount invested and hence the Company considers cost and fair value to be the same.

A Scheme of Amalgamation ('the Scheme') between the Company and its wholly owned subsidiary Elecon Transmission International Limited, Mauritius ('ETIL') has been approved on 01 November, 2018 and 31 October, 2018 by the Board of Directors of the Company and ETIL respectively. Appointed date of the Scheme is 01 April, 2019 and the Company has filed the Scheme with various regulatory authorities including the stock exchanges. Considering the Scheme's appointed date and pendency of regulatory approvals, no impact of the Scheme is required to be given in the standalone financial statement for year ended 31 March, 2019.

7. Financial asset - Loans

Particulars	March 31, 2019	March 31, 2018
Loans receivable unsecured - considered good		
Security Deposits	**536.49**	698.63
Total Loans	**536.49**	**698.63**
Non-current	52.43	117.01
Current	484.06	581.62
Total	**536.49**	**698.63**

8. Financial asset - Other financial assets

Particulars	March 31, 2019	March 31, 2018
Unbilled revenue - Contract asset	19,629.23	10,186.54
Balances with bank earmarked as margin money	57.83	-
Deposit with original maturity of more than twelve (12) months	1.62	1.51
Other receivables	-	12.05
Total other financial assets	**19,688.68**	**10,200.10**
Non-current	59.45	1.51
Current	19,629.23	10,198.59
Total	**19,688.68**	**10,200.10**

(₹ in Lakhs)

9. Non-current tax assets (net)

Particulars	March 31, 2019	March 31, 2018
Advance tax (net of provision for tax)	2,000.14	1,764.41
Total non-current tax assets (net)	**2,000.14**	**1,764.41**

10. Other non-current assets

Particulars	March 31, 2019	March 31, 2018
Capital advances	323.48	150.91
Prepaid expenses	205.42	326.14
Receivable from Government Authorities (including amount paid under protest)	1,803.00	1,893.06
Total other non-current assets	**2,331.90**	**2,370.11**

11. Inventories

Particulars	March 31, 2019	March 31, 2018
(At lower of cost and net realisable value)#		
Raw materials	8,026.58	6,432.00
Work-in-progress	11,311.63	9,040.35
Finished goods	930.07	2,054.34
Goods in transit	2,475.60	1,200.76
Stores and spares	1,138.68	1,337.18
Total inventories	**23,882.56**	**20,064.63**

#Aforesaid figures are disclosed net of inventory allowance aggregating to INR 1,443.09 lakhs (March 31, 2018 - INR 980.39 lakhs)

12. Trade receivables

Particulars	March 31, 2019	March 31, 2018
Trade receivable		
Secured, considered good	-	-
Unsecured, considered good	55,009.30	61,730.31
Which have significant increase in credit risk	12,282.02	16,509.73
Credit impaired	-	-
	67,291.32	**78,240.04**
Less : Allowance for expected credit loss*	(12,621.51)	(15,928.24)
Total Trade Receivables	**54,669.81**	**62,311.80**
Receivables from third parties (net of allowance)	52,852.33	60,038.58
Receivables from related parties	1,817.48	2,273.22
Total	**54,669.81**	**62,311.80**

Includes retention money receivable amounting to INR 29,764.97 lakhs (March 31, 2018 - INR 26,828.24 lakhs)

(₹ in Lakhs)

12. Trade receivables (Contd...)

Allowance for expected credit loss

*Allowance for expected credit loss is calculated based on the expected credit loss (ECL) model as described under Ind AS 109. Refer Note 2.5 and Note 36(b) for the Company's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	**15,928.24**	**15,487.66**
Add : Allowance for the year	1,003.00	440.58
Less : Reversal of allowance	(4,309.73)	-
Balance at the end of the year	**12,621.51**	**15,928.24**

13. Cash and bank balances

Particulars	March 31, 2019	March 31, 2018
(a) **Cash and Cash Equivalents**		
Balance with bank		
Current accounts and debit balance in cash credit accounts	352.73	786.68
Cheques on hand	-	45.00
Cash on hand	0.02	0.02
Total cash and cash equivalents	**352.75**	**831.70**
(b) **Other bank balances**		
Deposits with bank as margin money	-	2,357.10
Deposits due to mature within 12 months of reporting date	352.47	-
Unpaid dividend accounts	103.44	113.62
Total other bank balance	**455.91**	**2,470.72**

14. Other current assets

Particulars	March 31, 2019	March 31, 2018
Advance to suppliers	4,473.00	4,867.83
Balance with Government authorities	507.38	-
Other advances	114.32	1,034.35
Prepaid expense	846.10	712.01
Others	322.18	359.17
Total other current assets	**6,262.98**	**6,973.36**

(₹ in Lakhs)

15. Equity share capital

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Authorised Share Capital				
Equity shares of INR 2 each	227,500,000	4,550.00	227,500,000	4,550.00
Cumulative Redeemable Preference Shares of INR 2 each	25,000,000	500.00	25,000,000	500.00
Non-cumulative non-convertible Redeemable Preference Shares of INR 100 each	12,750,000	12,750.00	12,750,000	12,750.00
	265,250,000	**17,800.00**	**265,250,000**	**17,800.00**
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	112,199,965	2,244.00	112,199,965	2,244.00
Total equity share capital	**112,199,965**	**2,244.00**	**112,199,965**	**2,244.00**

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
At the beginning and at the end of the year	112,199,965	2,244.00	112,199,965	2,244.00

15.2 Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Equity Shares having a par value of INR 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, which is approved by Board Of Directors.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

15.3 Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% of share-holding	No. of shares	% of share-holding
Equity Shares of INR 2 each fully paid held by:				
EMTICI Engineering Limited	26,337,818	23.47	26,337,818	23.47
Prayas Engineering Limited	11,239,414	10.02	11,239,414	10.02
K. B. Investments Private Limited	11,240,418	10.02	11,190,168	9.97
Bipra Investments & Trusts Private Limited	6,709,436	5.98	6,709,436	5.98
HDFC Trustee Company Limited	6,776,473	6.04	8,572,923	7.64

(₹ in Lakhs)

15.4 **Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in Cash, Bonus Shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-**

Particulars			March 31, 2019	March 31, 2018
Equity shares allotted as fully paid up shares by virtue of schemes of arrangement			19,338,455	19,338,455
- Pertains to financial year	2013-14	16,074,333		
- Pertains to financial year	2016-17	3,264,122		
		19,338,455		

16. Other Equity

16.1 **Other reserves**

Balance	General Reserve	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
As at April 1, 2017	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**19,415.97**	**70,685.30**
Add: Profit for the year	-	-	-	-	808.37	808.37
Add: Other comprehensive income (Net of tax)	-	-	-	-	11.41	11.41
Balance available for appropriation	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**20,235.75**	**71,505.08**
Less : Appropriations						
Dividend	-	-	-	-	561.00	561.00
Tax on dividend	-	-	-	-	114.20	114.20
As at March 31, 2018	**44,132.78**	**-**	**2,878.14**	**4,258.41**	**19,560.55**	**70,829.88**
Add: Profit for the year	-	-	-	-	1,207.29	1,207.29
Add: Other comprehensive income (Net of tax)	-	-	-	-	(9.27)	(9.27)
Balance available for appropriation	**44,132.78**		**2,878.14**	**4,258.41**	**20,758.57**	**72,027.90**
Less : Appropriations						
Transfer during the year	-	2,500.00	-	-	(2,500.00)	-
Dividend	-	-	-	-	224.40	224.40
Tax on dividend	-	-	-	-	46.13	46.13
As at March 31, 2019	**44,132.78**	**2,500.00**	**2,878.14**	**4,258.41**	**17,988.04**	**71,757.37**

(₹ in Lakhs)

16.2 Dividend distribution made and proposed

Particulars	March 31, 2019	March 31, 2018
Dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2018: INR 0.20 per share	224.40	561.00
(March 31, 2017: INR 0.50 per share)		
Dividend distribution tax on final dividend	46.13	114.20
	270.53	**675.20**
Proposed dividends on Equity shares		
Final dividend proposed for the year ended March 31, 2019: INR 0.20 per share (March 31, 2018: INR 0.20 per share)	224.40	224.40
Dividend distribution tax on proposed dividend	46.13	46.13
	270.53	**270.53**

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and is not recognised as a liability as at March 31, 2019.

16.3 Description of Reserves

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital Reserve represents difference between fair value of the net assets of Elecon EPC Projects Limited and consideration paid.

Debenture Redemption Reserve

The Company is required to create Debenture Redemption Reserve out of the profits in accordance with Section 18 of Companies Act, 2013. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

17. Borrowings

Particulars	March 31, 2019	March 31, 2018
Non-current interest bearing borrowings		
Secured		
Non-convertible redeemable debentures (Refer note 17.1 (a) and 17.3 (a)&(b))	9,950.42	-
Term Loans		
From financial institutions (Refer notes 17.2 (a) to 17.2 (c) ,17.3 (a) & 17.2 (f))	11,924.47	14,157.92
From consortium banks (Refer notes 17.2 (d), 17.3 (c) & 17.2 (f))	-	276.96
Vehicle Loan		
From bank (Refer note 17.2 (e), 17.3 (d) & 17.2 (f))	-	120.98
	21,874.89	**14,555.86**
Less : Accrued interest	180.89	97.75
Total non-current borrowings	**21,694.00**	**14,458.11**

(₹ in Lakhs)

17. Borrowings (Contd...)

Particulars	March 31, 2019	March 31, 2018
Current interest bearing borrowings		
Secured		
Working capital loan		
From banks (Refer note 17.3 (e) to 17.3 (g))	23,460.29	28,823.40
From financial institutions (Refer note 17.3 (e) to 17.3 (g))	-	2,517.67
	23,460.29	**31,341.07**
Less : Accrued interest	30.83	90.40
Total current borrowings	**23,429.46**	**31,250.67**
Total interest bearing borrowings	**45,123.46**	**45,708.78**

17.1 Nature of Securities for non-convertible redeemable debentures

a) Non-convertible redeemable debentures are secured by way of

1. Exclusive charge over Madhubhan resorts owned by Emtici Engineering Limited at Vallabh Vidyanagar, Gujarat.
2. Corporate Guarantee of Emtici Engineering Limited to the extent of INR 15,000 Lakhs.
3. Residual charge over current asset & property, plant and Equipment of the Company.
4. First exclusive charge over Debt Service Reserve Account.
5. Post dated cheques for interest & principal payments from the Company & Undated cheques from Emtici Engineering Limited.
6. Exclusive charge over certain land parcels of the Company at Vallabh Vidyanagar.

17.2 Nature of Securities for Term Loans & Corporate Loans

a) Term Loans from financial institution - Loan from IFCI Limited is secured by way of:-

1. Exclusive charge by way of hypothecation on specific plant & machineries.
2. Exclusive mortgage of commercial property of Emtici Engineering Limited located at office No. 21, Yashwant Apartment, Pune - 411004 & Corporate Guarantee of Emtici Engineering Limited to the extent of INR 9,500 Lakhs.
3. Pledge of shares of the Company owned by Emtici Engineering Limited of 0.7 times of outstanding loan amount,
4. Post dated cheques for interest & principal payments.

b) Term Loans from financial institution - Loan from Aditya Birla Finance Limited is secured by exclusive charge by way of:

1. Registered mortgage on commercial property of the Company at Bengaluru, Karnataka.
2. Registered mortgage on freehold land of the Company situated at Rajkot, Gujarat.
3. Hypothecation on specific plant & machineries of the Company,
4. Exclusive charge by way of Pledge of shares of Company owned by Emtici Engineering Limited,
5. Corporate guarantee of Emtici Engineering Limited to the extent of INR 4,500 Lakhs.
6. Debt Service Reserve Account equivalent of 2 immediate due instalment repayment obligation.
7. Undated cheques for principal payments & Post dated cheques for Debt Service Reserve Account.

c) Term Loans from financial institution - Loan from Tata Capital Financial Services Limited is secured by way of:

Exclusive charge by way of Pledge of shares of the Company held by Prayas Engineering Limited.

d) Term Loans granted by Consortium of Banks consisting of IDBI Bank is secured by:-

1) First pari passu charge with all corporate loan lenders, over property, plant and equipment of the Company (movable and immovable) present and future, but excluding assets specifically charged to other Term Lenders.

2) Second pari passu hypothecation charge over the current assets of the Company, present and future.

(₹ in Lakhs)

17. Borrowings (Contd...)

3) Corporate guarantee of Prayas Engineering Limited and Emtici Engineering Limited.
4) Undertaking for non disposal of various land parcels as per loan sanction letter.

e) Vehicle Loan from banks - Loan from HDFC Bank Limited is secured by way of:-
Exclusive charge by way of Hypothecation on specific vehicles.

f) Rate of Interests for loans from banks & financial institutions

Name of the bank and financial institutions:	Interest Rate %	
	March 31, 2019	March 31, 2018
IFCI Limited	11.45% to 12.00%	11.45%
Aditya Birla Finance Limited	11.50% to 12.85%	11.50%
Tata Capital Financial Services Limited	10.70% to 11.70%	10.70%
State Bank of India	13.90% to 14.40%	12.80% to 13.90%
IDBI Bank Limited	13.00% to 13.30%	13.0%
HDFC Bank Limited	11.86%	11.86%

17.3 Terms of repayment of non-converrtible redeemable debentures, term loans and other loans

a) Non-convertible redeemable debentures and term loans*

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
(i) Non convertible redeemable debentures - Series I	1,000.00	-	Repayable in quarterly instalments of INR 142.86 Lakhs from August 2020 till February 2022.
(ii) Non convertible redeemable debentures - Series II	9,000.00	-	Repayable in quarterly instalments of INR 1125.00 Lakhs from May 2022 till February 2024.
(iii) Aditya Birla Finance Limited	2,775.00	5,550.00	Repayable with first instalment amounting to INR 89.79 Lakhs in August 2022, quarterly instalments of INR 196.48 Lakhs from November 2022 till November 2025 and last instalment of INR 130.99 Lakhs in February 2026.
(iv) IFCI Limited	9,060.00	9,500.00	Repayable in quarterly instalments amounting to INR 220.00 Lakhs from quarter ending Dec'18 and INR 350.00 Lakhs from quarter ending Dec'19.
(v) Tata Capital Financial Services Limited	2,200.00	2,500.00	Repayable in quarterly instalments amounting to INR 312.50 Lakhs from August'19 and INR 12.50 Lakhs in May'19.
(vi) IBM India Private Limited	92.23	-	Repayable in quarterly instalments amounting to INR 24.84 Lakhs from June 2018. Rate of interest charged is 12%.
	24,127.23	**17,550.00**	

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

The Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence at each reporting date and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such periodical review during the year, the management has obtained confirmations from respective lenders on continuance of existing terms and conditions. During the previous year, the Management pursuant to its aforesaid compliance reviews, renegotiated existing terms and conditions with a lender and mutually agreed to accelerate part repayment to the lender.

(₹ in Lakhs)

17. Borrowings (Contd...)

b) Maturity profile and rate of interest of non-convertible redeemable debentures are set out as below*:

Effective Rate of Interest	2020-21	2021-22	2022-23	2023-24
Series - I 14.50%, Series II - 17.42%	428.58	571.44	4,500.00	4,500.00

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

c) From Consortium Banks*

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
(i) State Bank of India	-	454.51	Repayable in equated quarterly instalments of INR 75.00 Lakhs starting from October 2015.
(ii) IDBI Bank	125.00	375.00	Repayable in equated quarterly instalments of INR 62.50 Lakhs starting from October 2015.
	125.00	**829.51**	

*Including current maturity of long term borrowings; excluding accrued interest and amortised cost.

d) Vehicle Loan#

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
HDFC Bank Limited	110.31	343.94	Repayable in equated monthly instalments from 2017-18 to 2019-20.
	110.31	**343.94**	

Including current maturity of long term borrowings; excluding accrued interest and amortised cost.

(e) Nature of Securities {Loans repayable on demand}

i) Working Capital Loans from banks granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Axis Bank, IDBI Bank & HDFC Bank (Including guarantees issued by them in favour of various clients of the Company) are secured by:-

a) First pari passu hypothecation charge over all the current assets of the Company, present & future.

b) Extension of first pari passu mortgage / hypothecation charge over property, plant and equipment (movable & immovable) present & future, excluding certain assets specifically / exclusively charged to other banks/ financial institutions.

c) Registered mortgage, on first pari passu basis, of land bearing Survey No.365 & 366 in the name of Prayas Engineering Limited,

d) Pledge of 100,000 shares of Eimco Elecon (India) Limited owned by the Company.

e) Undertaking for non disposal of various land parcels as per loan sanction letter.

f) Corporate guarantees of Prayas Engineering Limited and Emtici Engineering Limited to the extent of INR 39,125 lakhs respectively.

Name of the Bank	Interest Rate %	
	March 31, 2019	March 31, 2018
State Bank of India	10.90% to 11.45%	8.80% to 10.90%
Bank of Baroda	12.00% to 12.25%	11.25% to 12.25%
IDBI Bank	11.75% to 12.25%	11.55% to 11.75%
Axis Bank	11.00% to 11.45%	11.00%
HDFC Bank	9.75%	9.75% to 10.20%

17. Borrowings (Contd...)

(f) Nature of Securities {Loans repayable on demand}

i) Working Capital Loans from Financial Institution granted by Bajaj Finance Limited is secured by:-

1. Exclusive charge by way of Pledge of shares of a company owned by K. B. Investments Private Limited.

The rate of interest is 10.75%.

(g) Terms of Repayment of working capital loan

1. Secured Loans*

(₹ in Lakhs)

Lender	Interest rate	March 31, 2019	March 31, 2018	Terms of repayment
Bajaj Finance Limited	10.75%	-	2,500.00	Repayable in a single bullet payment after 12 months of the date of disbursement.
		-	**2,500.00**	

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

18. Non-current provisions

Particulars	March 31, 2019	March 31, 2018
Provision for compensated absences (Refer note - 39)	450.79	421.84
Total non-current provisions	**450.79**	**421.84**

19. Trade payables

Particulars	March 31, 2019	March 31, 2018
Total outstanding dues of micro and small enterprises	7,791.33	4,768.97
Total outstanding dues of creditors other than micro and small enterprises	26,436.68	32,218.26
Total trade payables	**34,228.01**	**36,987.23**
Dues to related parties (Refer note - 38)	3,195.44	4,484.80
Dues to third parties	31,032.57	32,502.43
	34,228.01	**36,987.23**

Includes retention money payable to vendors amounting to INR 2,731.33 Lakhs (March 31, 2018 - INR 3,181.09 Lakhs)

(₹ in Lakhs)

19. Trade payables (Contd...)

Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

Particulars	March 31, 2019	March 31, 2018
Principal amount remaining unpaid to any supplier as at the period end	7,791.33	4,768.97
Interest due thereon	-	-
The amount of payment made to supplier beyond appointed date	25,308.63	14,533.51
Interest paid thereon	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the Company's management, dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected till the reporting date and has been relied upon by the statutory auditors. Basis the underlying information and records available as at the reporting date, identified MSME parties provided their written consent to the Company for waiver of interest due to them (if any) under the provisions of the MSMED Act. Consequently, the Management has not provided for interest due (if any) to these MSME parties. The disclosures as required by Section 22 of the MSMED Act are given above.

20. Other financial liabilities - current

Particulars	March 31, 2019	March 31, 2018
Current maturities of non-current borrowings		
- Term loans from financial instiutions	2,052.23	3,215.00
- Term loans from consortium of banks	124.54	550.00
- Vehicle loans	110.31	222.96
Interest accrued but not due on borrowings	211.72	188.15
Security deposits	118.56	110.81
Unpaid dividend*	103.44	113.62
Capital creditors	-	80.68
Biliing in excess revenue - Contract liability	1,905.62	2,444.77
Accrued contractual liability	13,323.06	6,419.48
Total other financial liabilities	**17,949.48**	**13,345.47**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

(₹ in Lakhs)

21. Other Current liabilities

Particulars	March 31, 2019	March 31, 2018
Advance from customers	11,391.10	14,538.84
Statutory dues	293.49	1,871.96
Others	18.33	18.33
Total other non-financial liabilities	**11,702.92**	**16,429.13**

22. Provisions

Particulars	March 31, 2019	March 31, 2018
Provision for gratuity (Refer note - 39)	39.35	-
Provision for contract liabilities	954.91	-
Provision for compensated absences (Refer note - 39)	116.83	107.71
Provision for warranty	302.71	165.71
Provision for onerous contracts	135.29	1,091.06
Total provisions	**1,549.09**	**1,364.48**

Movement in Provisions :

Particulars	Provision for contract liabilities	Provision for Warranty	Provision for Onerous contract
Carrying amount as at March 31, 2017	**101.00**	**175.00**	**1,502.08**
Provision made / increase in provision	-	165.71	4,694.78
Provision amount used during the year	(101.00)	-	(4,956.52)
Provision amount reversed during the year	-	(175.00)	(149.28)
Carrying amount as at March 31, 2018	**-**	**165.71**	**1,091.06**
Provision made / increase in provision	954.91	302.71	2,759.26
Provision amount used during the year	-	-	(3,715.03)
Provision amount reversed during the year	-	(165.71)	-
Carrying amount as at March 31, 2019	**954.91**	**302.71**	**135.29**

Refer 2.5 of significant accounting policies.

Provision for warranty - A provision for warranties relates mainly to standard warranty on sale of the products manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. The timing of the outflows is expected to be within a period of one year from the date of balance sheet.

Provision for onerous contracts - The Company has entered into various contracts primarily into material handling. Provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Provision for contract liabilities - It includes provision for possible levy of liquidated damages and other estimated costs expected to be incurred by the Company on account of potential delays in meeting the contractual obligations of the Company with regard to agreed deliveries/commissioning.

23. Current Tax Liabilities (net)

Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	1,694.68	1,357.50
Total current tax liabilities (net)	**1,694.68**	**1,357.50**

(₹ in Lakhs)

24. Revenue from operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of products		
Transmission equipment sales	54,035.00	45,102.93
Material handling equipment	28,480.17	32,228.46
Export sales	5,319.33	6,562.18
	87,834.50	**83,893.57**
Sale of Services		
Erection and commissioning charges	6,003.46	6,721.93
	6,003.46	**6,721.93**
Other operating revenue		
Sale of scrap	638.23	497.63
Bad debts recovered	15.83	141.78
Advances from customer written back	-	317.33
Arbitration claim	671.79	-
Export incentives	210.75	381.48
	1,536.60	**1,338.22**
Total revenue from operations	**95,374.56**	**91,953.72**

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period from July 01, 2017 to March 31, 2018 and year ended March 31, 2019 is net of GST. However revenue for quarter ended June 30, 2017 included in figures represented for the year ended March 31, 2018 is inclusive of excise duty.

25. Other Income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income	97.15	201.92
Interest income received on arbitration award	605.60	-
Dividend income	48.28	48.84
Profit on sale of property, plant and equipment (net)	32.68	128.75
Gain on fair valuation of investments (net)	-	14.52
Foreign exchange gain (net)	-	213.61
Rent income	206.56	104.95
Liabilities no longer payable, now written-back	1,090.73	-
Miscellaneous income	293.30	343.13
Total other income	**2,374.30**	**1,055.72**

(₹ in Lakhs)

26. Cost of materials consumed

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	6,432.00	5,804.65
Add : Purchases during the year	46,455.20	38,491.06
	52,887.20	44,295.71
Less : Inventory at the end of the year	8,026.58	6,432.00
Total cost of material consumed	**44,860.62**	**37,863.71**

27. Changes in inventories of finished goods and work-in-progress

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(Increase) / decrease in inventories		
Opening work-in-progress	9,040.35	11,882.36
Closing work-in-progress	(11,311.63)	(9,040.35)
	(2,271.28)	**2,842.01**
Opening finished goods	3,255.09	2,720.33
Closing finished goods	(3,405.67)	(3,255.09)
	(150.58)	**(534.76)**
Total changes in inventories of finished goods and work-in-progress	**(2,421.86)**	**2,307.25**

28. Manufacturing expense and erection charges

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Stores, tools and spares consumed	2,644.94	1,694.49
Sub-contracting charges	7,850.29	7,467.62
Power and fuel	974.52	972.65
Erection and other charges	8,311.48	9,362.31
Other manufacturing expenses	1,258.66	1,187.80
Total manufacturing expense and erection charges	**21,039.89**	**20,684.87**

29. Employee benefits expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages and bonus	6,656.77	6,077.53
Contribution to provident fund and other funds (Refer note - 39)	321.70	330.79
Employee welfare expenses	308.52	221.12
Total employee benefit expenses	**7,286.99**	**6,629.44**

(₹ in Lakhs)

30. Finance costs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expenses (Refer note below)	5,526.02	5,458.14
Other borrowing costs (including guarantee charges)	882.13	1,218.32
Total finance costs	**6,408.15**	**6,676.46**
Note :		
Interest on term loans	1,785.73	1,717.12
Interest on non-convertible redeemable debentures	130.42	-
Interest on working capital	3,142.67	3,343.52
Interest - others	467.20	397.50
	5,526.02	**5,458.14**

31. Other expenses

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
Rent		1,104.25	1,101.24
Computer software maintenance charges		625.24	578.61
Rates and taxes		304.38	1,258.83
Repairs and maintenance :			
- Building		102.53	77.91
- Machinery		1,402.82	1,386.67
- Others		26.35	48.27
Insurance (net of recoveries)		247.05	131.56
Travelling, communication and conveyance expenses		740.02	678.26
Directors sitting fees		14.00	9.70
Commission to Non-Executive Directors		7.50	7.50
Packing, forwarding and distribution expenses (net of recoveries)		2,653.97	2,218.54
Commission and brokerage		2,417.56	2,130.28
Warranty claim replacement		324.85	346.09
Bad debts written off	3,685.91		
Excess provision on doubtful debt written back (refer note 12)	(3,306.73)		
		379.18	307.40
Provision on doubtful receivable		-	438.19
Bank charges		78.27	91.44
Advertisements and sales promotion expenses		111.00	46.20
Payment to auditors (Refer note- 32)		50.89	46.04
Loss on fair valuation of investments (net)		17.13	-
Donations		4.75	1.50
Expenditure on corporate social responsibility (Refer note - 33)		62.93	63.00
Car lease rentals		105.95	78.72
Legal and professional fees		979.28	890.44
Foreign exchange loss (net)		86.70	-
Other receivable/advances written off		746.62	-
Miscellaneous expenses		838.44	768.38
Total other expenses		**13,431.66**	**12,704.77**

(i) Research and development expenditure accounted through Standalone Statement of Profit and Loss aggregates INR 298.58 Lakhs (2017-18: INR 253.42 Lakhs).

(₹ in Lakhs)

32. Payment to auditors

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
(a)	As auditor - Audit fees	19.00	16.00
(b)	For other services (Limited review, certification etc.)	28.45	27.45
(c)	Out of pocket expenses	3.44	2.59
Total payment to auditors		**50.89**	**46.04**

33. Corporate social responsibility expenditure

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Company was required to spend INR 61.04 Lakhs (March 31, 2018: INR 84.03 Lakhs). However, the Company has actually spent INR 62.93 Lakhs (March 31, 2018: INR 63.00 Lakhs) during the current year. Amount unspent during the year is INR Nil (March 31,2018: INR 21.03 Lakhs) The Company has spent following amounts during the year :

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Towards health care, nutrition, sanitation and safe drinking water	11.56	-
Towards education scholarship and vocational skill development	16.75	63.00
Towards armed forces, veterans, war widows/dependants	34.62	-
Total corporate social responsibility expenditure	**62.93**	**63.00**

34. Earnings per share

(₹ in Lakhs, except per share data)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
a)	Profit attributable to equity shareholders of the Company	1,207.29	808.37
b)	Weighted average number of equity shares	112,199,965	112,199,965
c)	Earning per share (Basic and Diluted)	1.08	0.72
d)	Face value per Share	2.00	2.00

35. Tax expenses

(₹ in Lakhs)

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statement of Profit and loss		
Current tax		
Current tax	-	604.69
Adjustment of tax relating to earlier periods	345.40	(532.28)
Deferred tax		
Deferred tax charge / (credit)	1,232.97	(372.11)
Income tax expense reported in the Statement of Profit and Loss	**1,578.37**	**(299.70)**
Other comprehensive income		
Deferred tax (credit) on remeasurements losses of defined benefit plans	(7.28)	6.13
Total tax expense	**1,571.09**	**(293.57)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018:

A) Current tax

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	2,785.66	508.67
Statutory income tax rate	34.944%	34.608%
Tax using the Company's statutory tax rate	973.42	176.04
Tax effects of :		
Tax exempt income	(16.87)	(16.90)
Tax at special rate	(58.06)	66.93
Other non-deductible expenses (net)	327.20	12.64
Adjustment of tax expense relating to earlier periods	345.40	(532.28)
	597.67	**(469.61)**
Tax expense	**1,571.09**	**(293.57)**

(₹ in Lakhs)

35. Tax expenses (Contd...)

B. Deferred tax

Particulars	Balance as on March 31, 2017	Acounted through State-ment of Profit and loss and OCI	Balance as on March 31, 2018	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2019
Depreciation for tax purposes	(6,685.32)	454.69	(6,230.63)	418.80	(5,811.83)
Impact of fair valuation of financial assets	(6,917.89)	(32.56)	(6,950.45)	26.42	(6,924.03)
Deferred tax on fair value of investments	(7.91)	(5.93)	(13.84)	0.41	(13.43)
Provision for doubtful debt (including allowance for Expected Credit Losses)	5,359.97	206.26	5,566.22	(1,155.75)	4,410.47
Expenditure allowable on payment basis	238.75	(59.06)	179.69	16.37	196.06
Expenditure allowable on realised basis	813.71	(191.29)	622.42	(575.15)	47.27
Deferred tax on unabsorbed depreciation	-	-	-	35.93	35.93
Deferred tax expense/(income) accounted through Statement of Profit and Loss					
Deferred tax expense/(income) accounted through Other Comprehensive Income	46.74	(6.13)	40.61	7.28	47.89
Total deferred tax expense / (income)	-	**365.98**	-	**(1,225.69)**	-
Net deferred tax assets/(liabilities)	**(7,151.96)**	-	**(6,785.98)**	-	**(8,011.67)**
Reflected in the balance sheet are as follows:					
Deferred tax assets			6,408.94		4,737.62
Deferred tax liabilities			(13,194.92)		(12,749.29)
Deferred tax liabilities (net)			**(6,785.98)**		**(8,011.67)**

Reconciliation of deferred tax assets / (liabilities), net	March 31, 2019	March 31, 2018
Opening balance as of April 1	(6,785.98)	(7,151.96)
Tax income/(expense) during the period recognised in profit or loss	(1,232.97)	372.11
Tax income/(expense) during the period recognised in OCI	7.28	(6.13)
Closing balance as at March 31	**(8,011.67)**	**(6,785.98)**

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

During the year ended March 31, 2019 and March 31, 2018, 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.

(₹ in Lakhs)

36. Financial instruments risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk, Liquidity risk and commodity risk. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The said Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee/Board of Director has additional oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk, credit risk and investment of surplus funds.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

(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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

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 seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at March 31, 2019, approximately 21% of the Company's borrowings are at fixed rate (March 31, 2018 : 25%). Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial Assets	411.92	2,358.61
Financial Liabilities	10,048.93	12,189.34
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	37,361.61	37,507.40

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Impact on Profit / (loss) after tax
March 31, 2019	
Increase in 100 basis points	(243.03)
Decrease in 100 basis points	243.03
March 31, 2018	
Increase in 100 basis points	(245.27)
Decrease in 100 basis points	245.27

(₹ in Lakhs)

36. Financial instruments risk management objectives and policies (Contd...)

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 foreign currencies (primarily USD, EUR and GBP). Consenquently, the Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

	March 31, 2019			March 31, 2018		
	USD	GBP	EUR	USD	GBP	EUR
Financial Assets						
Trade receivables	829.20	675.62	298.55	1,773.36	899.62	220.04
Cash and cash equivalents	2.62	-	3.64	1.86	-	16.05
Other financial assets	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total (A)	**831.82**	**675.62**	**302.19**	**1,775.22**	**899.62**	**236.09**
Financial Liabilities						
Trade payables	72.42	43.93	125.60	343.11	84.97	56.90
Borrowings	-	-	-	-	-	773.97
Total (B)	**72.42**	**43.93**	**125.60**	**343.11**	**84.97**	**830.87**
Net exposure to Foreign Currency (A-B)	**759.40**	**631.69**	**176.59**	**1,432.11**	**814.65**	**(594.78)**

The Company does not have significant exposure to foreign currency risk. Accordingly, the management does not hedge any foreign currency receipts or payments.

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD 1	67.11	64.95	69.17	65.04
GBP 1	91.38	86.85	90.48	92.28
EUR 1	79.16	74.85	77.70	80.62

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	USD			GBP			EUR		
	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax
March 31, 2019									
Strengthening	3.00%	22.78	14.82	2.00%	12.63	8.22	2.00%	3.53	2.30
Weakening		(22.78)	(14.82)		(12.63)	(8.22)		(3.53)	(2.30)
March 31, 2018									
Strengthening	1.00%	14.32	9.36	3.00%	24.44	15.98	4.00%	(23.79)	(15.56)
Weakening		(14.32)	(9.36)		(24.44)	(15.98)		23.79	15.56

36. Financial instruments risk management objectives and policies (Contd...)

Equity price risk

The Company's investment consists of investments in equity shares of publicly traded companies held for purposes other than trading as well as investments in quoted mutual funds. Since these investments are insignificant, the exposure to equity price changes is minimal.

(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 primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Other financial assets

This comprises mainly of deposits with banks, investments in mutual funds and other group receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the credit rating agencies.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. 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 based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - *Financial Instruments*. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

Bucket	March 31, 2019	March 31, 2018
Not due	0.94%	1.25%
0-1 year	4.60%	5.39%
1-3 years	14.50%	17.30%
Greater than 3 years	61.16%	72.33%
Expected Credit Losses rate	**20.30%**	**24.07%**
Amount of expected credit loss provided for	**12,621.51**	**15,928.24**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables.

Movement in provision of expected credit loss has been provided in note no. 12.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. 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 both banks and financial institutions at an optimised cost.

(₹ in Lakhs)

36. Financial instruments risk management objectives and policies (Contd...)

The table below analysis non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

Particulars	Carrying amount	Less than 12 months	1-2 years	2-5 years	more than 5 years	Total
Year ended March 31, 2019						
Financial liabilites						
Borrowings	45,123.46	28,466.29	5,607.11	21,712.19	4,372.42	60,158.01
Trade payables	34,228.01	34,228.01	-	-	-	34,228.01
Other financial liabilities	17,949.48	20,492.35	-	-	-	20,492.35
Total	**97,300.95**	**83,186.65**	**5,607.11**	**21,712.19**	**4,372.42**	**114,878.37**
Year ended March 31, 2018						
Financial liabilites						
Borrowings	45,708.78	31,250.67	4,167.91	8,932.75	7,092.49	51,443.82
Trade payables	36,987.23	36,987.23	-	-	-	36,987.23
Other financial liabilities	13,345.47	15,124.04	-	-	-	15,124.04
Total	**96,041.48**	**83,361.94**	**4,167.91**	**8,932.75**	**7,092.49**	**103,555.09**

(d) Commodity price risk

Commodity price risk arises due to fluctuation in prices of steel. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in the commodity prices and freight costs. The Company's commodity risk is managed through well-established control processes.

(e) Capital management

For the purpose of the Company's capital management, capital includes paid-up 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 a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. 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 Debt-Equity ratio, which is net debt divided by total equity. The Company's policy is to keep the net debt to equity ratio below 2. The Company includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings (Note 17 & 20)	47,410.54	49,696.74
Less: cash and cash equivalents (Note 13)	(352.75)	(831.70)
Adjusted net debt	**47,057.79**	**48,865.04**
Equity share capital (Note 15)	2,244.00	2,244.00
Other equity (Note 16)	71,757.37	70,829.88
Total equity	**74,001.37**	**73,073.88**
Adjusted net debt to total equity ratio	**0.64**	**0.67**

(₹ in Lakhs)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

37. Fair Value Measurements

A. Accounting classification and fair values

As at March 31, 2019

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair Value			Total
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobse-rvable inputs	
Investments (Note 1)	300.85	-	0.17	301.02	272.57	-	28.45	301.02
Loans	-	-	536.49	536.49	-	-	-	-
Trade receivables	-	-	54,669.81	54,669.81	-	-	-	-
Cash and cash equivalents	-	-	352.75	352.75	-	-	-	-
Other bank balance	-	-	455.91	455.91	-	-	-	-
Other financial assets	-	-	19,688.68	19,688.68	-	-	-	-
Total Financial assets	**300.85**	**-**	**75,703.81**	**76,004.66**	**272.57**	**-**	**28.45**	**301.02**
Borrowings (excluding current maturities)	-	-	45,335.18	45,335.18	-	-	45,335.18	45,335.18
Trade payable	-	-	34,228.01	34,228.01	-	-	-	-
Other financial liabilities	-	-	17,737.76	17,737.76	-	-	-	-
Total Financial liabilities	**-**	**-**	**97,300.95**	**97,300.95**	**-**	**-**	**45,335.18**	**45,335.18**

As at March 31, 2018

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair Value			Total
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobse-rvable inputs	
Investments (Note 1)	317.99	-	0.17	318.16	264.01	-	54.15	318.16
Loans	-	-	698.63	698.63	-	-	-	-
Trade receivables	-	-	62,311.80	62,311.80	-	-	-	-
Cash and cash equivalents	-	-	831.70	831.70	-	-	-	-
Other bank balance	-	-	2,470.72	2,470.72	-	-	-	-
Other financial assets	-	-	10,200.10	10,200.10	-	-	-	-
Total Financial assets	**317.99**	**-**	**76,513.12**	**76,831.11**	**264.01**	**-**	**54.15**	**318.16**
Borrowings (excluding current maturities)	-	-	45,896.93	45,896.93	-	-	45,896.93	45,896.93
Trade payables	-	-	36,987.23	36,987.23	-	-	-	-
Other financial liabilities	-	-	13,157.32	13,157.32	-	-	-	-
Total Financial liabilities	**-**	**-**	**96,041.48**	**96,041.48**	**-**	**-**	**45,896.93**	**45,896.93**

Note 1 Investments in associate, joint venture and subsidiaries have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries, associates and joint ventures have been designated as FVTPL. However, investments in equity shares other than those of Eimco Elecon Electricals Limited (EECL) are not considered material and hence have not been fair valued.

(₹ in Lakhs)

37. Fair Value Measurements (Contd...)

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

On account of materiality and in absence of sufficient information for determination of fair value of investments in equity shares of INR 0.17 lakhs (March 31, 2018: 0.17 lakhs), the Company has not fair valued the same.

ii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares and mutual fund that have a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

C. Fair value through profit and loss - in unquoted equity shares:

Investments in equity shares of Eimco Elecon Electricals Limited (EEEL) have been designated as FVTPL. Based on EEEL's future projections of 5 years, Discounted Cash Flow (DCF) valuation methodology has been used to determine the fair value as on March 31, 2019.

Significant unobservable inputs

The free cash flows have been discounted using weighted average cost of capital (WACC) and cost of equity which is based on the capital asset pricing model. The model considered data from comparable companies to obtain the discounted free cash flows based on latest available data prior to date of valuation. These assumptions have been adjusted appropriately at each reporting date. Key assumptions have been summarised below:

Particulars	March 31, 2019	March 31, 2018
Beta for WACC	1.00	1.00
Risk free rate of return	7.80%	7.18%
Cost of equity	12.50%	11.0%
Cost of debt	Nil	Nil
WACC	12.50%	11.00%
Perpetual growth rate	5.00%	5.00%

i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

ii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended March 31, 2019 and March 31, 2018 is as below:

Particulars	Amount
As at March 31, 2017	**44.25**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	9.90

(₹ in Lakhs)

37. Fair Value Measurements (Contd...)

Particulars	Amount
As at March 31, 2018	**54.15**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	(25.70)
As at March 31, 2019	**28.45**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended March 31, 2019 and March 31, 2018.

Sensitivity analysis - Investments in unquoted equity instruments of EEEL (Value per share)

2018-19			Perpetual growth rate	
			-1%	**+1%**
	Cost of equity	**-1%**	14.31	15.71
		+1%	13.23	13.98

2017-18			Perpetual growth rate	
			-1%	**+1%**
	Cost of equity	**-1%**	26.10	26.35
		+1%	(24.46)	(24.70)

38. Related party disclosure

As per the Ind AS - 24 Related Party Disclosures, the related parties of the Company are as follows :

A) Name of the related parties and nature of relationships :

a) Wholly Owned Subsidiary Companies

(i) Elecon Transmission International Limited, Mauritius
(ii) Elecon Singapore Pte. Limited, Singapore
(iii) Elecon Middle East FZE, Middle East

b) Wholly Owned Step down Subsidiaries

(i) Benzlers Systems AB, Sweden
(ii) Radicon Transmission UK Limited, U.K.
(iii) AB Benzlers, Sweden
(iv) Radicon Drive Systems, Inc., USA
(v) Benzlers Transmission A.S., Denmark
(vi) Benzlers Antriebstechnik GmbH, Germany
(vii) Benzlers TBA B.V., Netherlands
(viii) OY Benzlers AB, Finland
(ix) Benzlers Italia s.r.l.

c) Associates

(i) Eimco Elecon (India) Limited
(ii) Elecon Australia Pty. Limited
(iii) Elecon Africa Pty. Limited
(iv) Elecon Engineering (Suzhou) Co. Limited, China

d) Key managerial personnel

(i) Mr. Prayasvin B. Patel - Chairman and Managing Director
(ii) Mr. Prashant C. Amin - Executive Director
(iii) Mr. Pradip M. Patel - Director
(iv) Mr. Jal Patel - Independent Director
(v) Mr. Chirayu R. Amin - Independent Director
(vi) Mr. Jai S. Diwanji - Independent Director
(vii) Dr. Sonal V. Ambani - Independent Director
(viii) Mr. Rajat Jain (upto December 31, 2017) - Chief Financial Officer

38. Related party disclosure (Contd...)

(ix) Mr. Kamlesh Shah (w.e.f May 05, 2018) - Chief Financial Officer

e) Entities forming part of the same group (with whom transaction undertaken during the year or previous year)

(i) Devkishan Investment Private Limited
(ii) K. B. Investments Private Limited
(iii) Elecon Information Technology Limited
(iv) Tech Elecon Private Limited
(v) Emtici Engineering Limited
(vi) Prayas Engineering Limited
(vii) Speciality Wood Pack Private Limited
(viii) Power Build Private Limited
(ix) Elecon Hydraulics Private Limited
(x) Akaaish Mechatronics Limited
(xi) Madhubhan Prayas Resorts Limited
(xii) Wizard Fincap Limited
(xiii) Eimco Elecon Electricals Limited
(xiv) Elecon Peripherals Limited
(xv) Packme Industries Private Limited
(xvi) Darshan Chemicals
(xvii) WRC Engineering Company Private Limited
(xviii) Radicon Transmission FZE
(xix) Radicon Transmission (Thailand) Limited
(xx) Radicon Transmission (Australia) Pty Limited
(xxi) Vijay M. Mistry Construction Private Limited

f) Other related party

Post employment benefit plan
(i) Elecon Engineering Company Limited Employees Group Gratuity Fund
(ii) Elecon Engineering Company Limited Employees Superannuation scheme

B) Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given and taken, at the year-end are unsecured and interest free and settlement occurs in cash other than for advance.

2) Loans in USD and GBP given to the related party carries interest rate at Nil (March 31, 2018 : 4.05% to 5.17%)

Transactions with key management personnel

Compensation of key management personnel of the Company. (₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term employee benefits (Remuneration)		
- Mr. Prayasvin B. Patel	237.31	242.61
- Mr. Prashant C. Amin	229.11	204.54
- Mr. Kamlesh Shah	47.16	-
- Mr. Rajat Jain	-	45.16
Commission and sitting fees to Independent directors	21.50	17.20
Total compensation paid to key management personnel	**535.08**	**509.51**

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

38. Related party disclosure (Contd...)

(₹ in Lakhs)

Particulars	Associate		Subsidiaries		Key Managerial Personnel		Entities forming part of the same group (with whom transaction undertaken during the year or previous year)		Employement benefit plans	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of material / finished goods	16.08	10.89	17.86	11.18	-	-	4,674.75	4,466.00	-	-
Job work income	11.52	10.33	-	-	-	-	112.81	67.16	-	-
Job work expenses paid	3.49	5.98	0.31	-	-	-	77.28	34.32	-	-
Sale of finished goods/ consumable stores	546.89	413.04	3,667.35	2,807.09	-	-	1,199.54	1,096.24	-	-
Purchase of property plant and equipment	-	281.25	0.57	-	-	-	77.15	929.38	-	-
Sales of property plant and equipment	-	1,000.00	-	-	-	-	19.84	45.95	-	-
Remuneration paid key managerial personnel	-	-	-	-	535.08	509.51	-	-	-	-
Other expenses charged from related parties	8.03	26.74	272.55	161.79	-	-	358.58	240.53	-	-
Other expenses charged by related parties	0.93	40.36	30.23	23.45	-	-	3,079.00	3,352.07	-	-
Sales and other commission expense	-	-	100.94	172.46	-	-	-	-	-	-
Commission income on bank guarantee	-	-	24.67	265.64	-	-	-	-	-	-
Deposit / loans / advances given	-	-	-	3,024.21	-	-	-	-	-	-
Interest on above deposits / loans / advances	-	-	-	65.85	-	-	-	-	-	-
Sundry balances written off	-	-	520.23	-	-	-	-	-	-	-
Corporate Guarantee Commission	-	-	-	-	-	-	6.37	-	-	-
Purchase of equity shares	-	-	-	3,249.38	-	-	-	-	-	-
Dividend income	47.92	48.84	-	-	-	-	-	-	-	-
Contribution made to post employment defined plans trust	-	-	-	-	-	-	-	-	8.95	119.65
Outstanding balances										
Trade payables	7.05	29.17	68.56	-	-	-	3,119.84	4,455.63	-	-
Trade receivables	93.56	47.83	1,507.16	1,499.66	-	-	216.76	725.72	-	-
Advance received	-	-	552.78	283.75	-	-	-	142.18	-	-
Guarantee given	-	-	29,344.34	31,774.54	-	-	-	-	-	-

38. Related party disclosure (Contd...)

(₹ in Lakhs)

Particulars	Associate		Subsidiaries		Entities forming part of the same group (with whom transaction undertaken during the current year or previous year)		Employement benefit plans	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of material / finished goods								
(i) Speciality Wood Pack Private Limited	-	-	-	-	812.30	688.83	-	-
(ii) Elecon Peripherals Limited	-	-	-	-	1,661.16	1,319.70	-	-
(iii) Eimco Elecon (India) Limited	16.08	10.89	-	-	-	-	-	-
(iv) AB Benzlers, Sweden	-	-	11.36	11.18	-	-	-	-
(v) Radicon Transmission UK Limited, U.K.	-	-	6.50	-	-	-	-	-
(vi) Power Build Private Limited	-	-	-	-	478.28	385.08	-	-
(vii) Prayas Engineering Limited	-	-	-	-	956.53	1,194.25	-	-
(viii) Elecon Hydraulics Private Limited	-	-	-	-	611.96	707.62	-	-
(ix) Others	-	-	-	-	154.52	170.52	-	-
	16.08	**10.89**	**17.86**	**11.18**	**4,674.75**	**4,466.00**	**-**	**-**
Guarantee given								
(i) Elecon Transmission International Limited	-	-	23,915.80	26,237.47	-	-	-	-
(ii) Radicon Transmission UK Limited	-	-	5,428.54	5,537.08	-	-	-	-
	-	**-**	**29,344.34**	**31,774.55**	**-**	**-**	**-**	**-**

**For guarantees/collateral given on behalf of the Company by related parties, refer Note 17 of standalone financial statement.*

(₹ in Lakhs)

38. Related party disclosure (Contd...)

Disclosure as per Regulation 53(F) of SEBI (Listing Obligations And Disclosure Requirements) Regulations

Loans and advances in the nature of loans given to subsidiaries and taken from the firms/companies in which directors are interested:

Name of the Party	Relationship	Amount outstanding as at 31.03.2019	Amount outstanding as at 31.03.2018	Maximum balance outstanding during the year 31.03.2019	Maximum balance outstanding during the year 31.03.2018
Elecon Transmission International Limited	Wholly owned subsidiary	-	-	-	3,024.21

Aakaaish Investments Private Limited being an ultimate holding Company and Lotus Trust being an entity with control over the Company with whom no transaction is undertaken during the year and hence not reported.

39. Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of INR 321.70 Lakhs (March 31, 2018: INR 330.79 Lakhs) is recognised as expenses and included in Note No. 29 "Employee benefits expense"

Particulars	As at March 31, 2019	As at March 31, 2018
Provident fund	315.30	323.45
Superannuation fund	6.40	7.34
	321.70	**330.79**

39. Disclosure pursuant to employee benefits (Contd...)

(₹ in Lakhs)

B. Defined benefit plans:

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

(a) Gratuity

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

March 31, 2019 : Changes in defined benefit obligation and plan assets

	April 1, 2018	Gratuity cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2019
		Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (Note 29)			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 other comprehensive income		
Gratuity													
Defined benefit obligation	1,281.10	72.77	98.42	171.19	1.84	(169.86)	-	-	10.04	(5.07)	4.97	-	1,289.24
Fair value of plan assets	(1,322.01)	-	(101.56)	(101.56)	(5.22)	169.86	11.58	-	-	-	11.58	(2.55)	(1,249.89)
Benefit liability	**(40.91)**	**72.77**	**(3.15)**	**69.63**	**(3.37)**	**-**	**11.58**	**-**	**10.04**	**(5.07)**	**16.55**	**(2.55)**	**39.35**
Total benefit liability	**(40.91)**	**72.77**	**(3.15)**	**69.63**	**(3.37)**	**-**	**11.58**	**-**	**10.04**	**(5.07)**	**16.55**	**(2.55)**	**39.35**

March 31, 2018 : Changes in defined benefit obligation and plan assets

	April 1, 2017	Gratuity cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2018
		Service cost	Net interest expense	Sub-total included in statement of Profit and Loss (Note 29)			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 other comprehensive income		
Gratuity													
Defined benefit obligation	1,323.60	109.91	99.43	209.34	(0.59)	(223.20)	-	15.87	(8.47)	(35.45)	(28.05)	-	1,281.10
Fair value of plan assets	(1,342.54)	-	(100.86)	(100.86)	-	223.20	10.51	-	-	-	10.51	(112.31)	(1,322.01)
Benefit liability	**(18.94)**	**109.91**	**(1.43)**	**108.48**	**(0.59)**	**-**	**10.51**	**15.87**	**(8.47)**	**(35.45)**	**(17.54)**	**(112.31)**	**(40.91)**
Total benefit liability	**(18.94)**	**109.91**	**(1.43)**	**108.48**	**(0.59)**	**-**	**10.51**	**15.87**	**(8.47)**	**(35.45)**	**(17.54)**	**(112.31)**	**(40.91)**

(₹ in Lakhs)

39. Disclosure pursuant to employee benefits (Contd...)

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurance Fund (%) of total plan assets	100%	100%

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.48%	7.68%
Future salary increase	6.50%	6.50%
Expected rate of return on plan assets	7.48%	7.68%
Employee turnover rate	10.00%	10.00%
Morality rate during employment	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)

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

Gratuity

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	Sensitivity level	Year ended March 31, 2019 INR	Year ended March 31, 2018 INR
Discount rate	1% increase	(48.26)	(47.07)
	1% decrease	53.41	52.00

(b) Leave obligations - unfunded

The actuarial liability towards leave obligations as at March 31, 2019 is INR 567.62 Lakhs (March 31, 2018 is INR 529.55 Lakhs). Current year charge is included in Employee benefit expense (refer note 29).

(₹ in Lakhs)

40. Contigent liabilities and commitments

Particulars		March 31, 2019	March 31, 2018
(a)	**Contingent liabilities:**		
	Claims against the Company not acknowledged as debt		
(i)	Disputed with Excise and Service tax authority	7,633.51	7,877.54
(ii)	Disputed with Sales tax authority	1,122.61	1,161.16
(iii)	Disputed with Income tax authority	2,308.05	1,850.67
(iv)	Sales bills discounted under letter of credit with Banks	39.74	596.69
(v)	In respect of arbitration proceeding as directed by Honorable Gujarat High Court in response to an application made by one of the contractor of the company for INR 206.07 lakhs (March 31, 2018: 206.07 lakhs). However the company has made a counter claim of INR 200.00 Lakhs (March 31, 2018: 200.00 lakhs) with the same arbitrator in response and as per the books of account INR 51.88 Lakhs (March 31, 2018 : 51.88 lakhs) is due to him.	154.19	154.19
(vi)	Incremental Bonus Liability for the year 2014 -15	151.75	151.75
(vii)	NexGen Energy Partners, LLC of USA has filed a case bearing no. 2011 CV 0066, against Reflecting Blue Technologies (RBT) of USA and the Company, in the court of Ohio, USA on account of non performing of Wind Mill supplied through Reflecting Blue Technologies (RBT). The matter is pending in the court of Ohio, USA and amount of claim is unascertainable.	Amount not ascertained	Amount not ascertained
(viii)	In respect of a commercial civil suit filed by a customer against the Company with the Commercial Civil Court, Ahmedabad amounting to INR 4,933 lakhs (March 31, 2018: 4,933 lakhs) Against this, the Company has filed a counter claim of INR 549 lakhs (March 31, 2018: 549 lakhs) against the Customer for the default made by the customer.	4,384.00	4,384.00
(ix)	With reference to the Surya Roshani Limited & others v/s EPFO judgment of Hon'ble Supreme Court of India, which set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available. Accordingly, in view of management, any additional financial liability for the period from date of the order of the Hon'ble Supreme Court of India (28 February 2019) for the year ended 31 March 2019 is not significant. In addition, pending the outcome of directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts.	Amount not ascertained	-
	Guarantees		
(i)	The Company has provided Corporate Guarantee to Bank of Baroda, Dubai to the tune of GBP Nil and US$ Nil (March 31, 2018: GBP 7,216,000 and US$ 282,99,876) as a security for repayment of Financial facility availed by Elecon Transmission International Limited, Mauritius, a wholly owned subsidiary of the Company.	-	25,066.66
(ii)	The Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 6,000,000 (March 31, 2018: GBP 6,000,000) as	5,428.54	5,537.08

(₹ in Lakhs)

40. Contigent liabilities and commitments (Contd...)

Particulars		March 31, 2019	March 31, 2018
	a security for repayment of Financial facility availed by Radicon Transmission UK Limited, United Kingdom, a subsidiary of the Company.		
(iii)	The Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 8,299,000 and US$ 22,098,000 (March 31, 2018: GBP Nil and US$ Nil) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, UK, a subsidiary of the Company.	22,794.04	-
(iv)	Corporate Guarantee provided to Swedish Pension Authority to the tune of SEK 15.00 Million (March 31, 2018: SEK 15.00 Million) as a security, in replacement of earlier guarantee given by erstwhile owner, for the purchase of pension insurances relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, a Wholly-owned Subsidiary of the Company.	1,121.76	1,170.81
(v)	Guarantee amounting to SEK 8.00 Million (March 31, 2018: SEK 8.00 Million) issued by Company's banker relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, a Wholly-owned Subsidiary of the Company.	598.27	624.43
(b)	**Commitments:**		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	624.87	664.28
(ii)	Liability for Export Obligation under Advance Licence	1,552.05	1,552.05

41. Disclosure on Specified Bank Notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

42. Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman and Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Company's Chairman & Managing Director reviews internal management reports periodically. The CMD is designated as a Chief Operating Decision Maker (CODM).

Reportable segment	Description of products/services
Material handling equipment	The segment is egnaged in manufacturing of material handling equipments like raw material handling system, stackers, reclaimers, bagging & weighing machines, wagaon & truck loaders, crushers, wagon tipplers, feeders and port equipments. It is also engaged in executing projects on these material handling equipments.
Transmission equipment	Manufacturing of material transmission equipments like gearboxes, couplings and elevator traction machines.

(₹ in Lakhs)

42. Segment reporting (Contd...)

Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Segment revenue from operations:		
(a) Material handling equipment	34,513.11	38,254.50
(b) Transmission equipment	60,861.45	53,699.22
Total segment revenue including intersegment revenue	**95,374.56**	**91,953.72**
Less: Inter segment revenue	-	-
Total segment revenue from operations	**95,374.56**	**91,953.72**
Segment profit/(loss) before tax & interest		
(a) Material handling equipment	(396.87)	(1,657.34)
(b) Transmission equipment	9,976.70	8,537.23
Net segment profit/(loss) before tax & interest	**9,579.83**	**6,879.89**
Reconciliation of segment profit/(loss) with profit before tax		
i) Finance cost	6,408.15	6,676.46
ii) Other unallocated corporate expenses net off	672.75	133.48
iii) Unallocable income	286.73	438.72
Profit before tax as per statement of profit and loss	**2,785.66**	**508.67**

Other Information	Year Ended March 31, 2019	Year Ended March 31, 2018
Segment assets		
(a) Material Handling Equipment	60,765.51	68,305.29
(b) Transmission Equipment	115,340.44	109,282.05
Total segment assets	**176,105.95**	**177,587.34**
(c) Unallocable	18,605.52	17,886.95
Total assets	**194,711.47**	**195,474.29**
Segment liabilities		
(a) Material Handling Equipment	40,408.66	50,823.55
(b) Transmission Equipment	70,491.68	61,734.68
Total segment liabilities	**110,900.34**	**112,558.23**
(c) Unallocable	9,809.76	9,842.18
Total liabiities	**120,710.10**	**122,400.41**

(₹ in Lakhs)

42. Segment reporting (Contd...)

Geographical information

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Segment revenue from external customers		
India	90,055.23	85,391.54
Ouside India	5,319.33	6,562.18
Total segment revenue	**95,374.56**	**91,953.72**

All non-current assets of the Company are located in India.

There is no single external customer which exceeds 10% of the Company's revenue.

43. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:-

a. Disaggregation of revenue

The Company believes that the information provided under Note 24 and Note 42, is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, *Revenue from Contracts with Customers.*

b. Reconciliation the amount of revenue recognised in the standalone statement of profit and loss with the contracted price:

Particulars	For the year ended 31 March 2019
Revenue as per contracted price	97,718.49
Adjustments	
Variable consideration reduction on account of liquidated damages	(3,242.30)
Arbitration award	671.79
Revenue from contract with customers	**95,147.98**
Export incentives	210.75
Bad debts recovered	15.83
Revenue from operations (refer Note 24)	**95,374.56**

c. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	As at 31 March 2019
Trade receivables	**54,669.81**
Contract assets	
Unbilled revenue - Other financial assets	19,629.23
Contract liabilities	
Biliing in excess of revenue	1,905.62
Accrued contractual liability	13,323.06
Advance from customers	11,391.10

(₹ in Lakhs)

43. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:- (Contd...)

d. Unsatisfied performance obligations

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Company has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Accordingly, the Company recognises revenue by an amount to which the Company has a right to invoice.

e. Changes in significant accounting policies / Transition to Ind AS 115

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 prospectively whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

The impact of transition to Ind AS 115 on retained earning as at 1 April 2018 is not significant and hence no dislosures have been provided in this regard.

The following table summarises the impact of adopting Ind AS 115 on the Company's standalone financial statements for the year ended on 31 March 2019, except for Standalone Cash Flow Statement, where there is no impact on total operating, investing or financing cash flows.

Standalone Balance Sheet as at 31 March 2019 :

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Liabilities			
Other financial liabilities	17,949.48	(751.44)	17,198.04
Total liabilities	**120,710.10**	**(751.44)**	**119,958.66**
Equity			
Other equity	71,757.37	488.86	72,246.23
Total equity	**74,001.37**	**488.86**	**74,490.23**

Standalone Statement of Profit and Loss for the year ended 31 March 2019 :

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Cost of material consumed	44,860.62	(751.44)	44,109.18
Profit before tax	**2,785.66**	**751.44**	**3,537.10**
Tax expense	1,578.37	262.58	1,840.95
Profit for the year	**1,207.29**	**488.86**	**1,696.15**
Other comprehensive income for the year, net of tax	(9.27)	-	(9.27)
Total comprehensive income for the period	**1,198.02**	**488.86**	**1,686.88**

The nature of adjustments are described below:

The Management determines at the contract inception whether the Company satisfies all its performance obligations over time or at a point in time. If the Company does not satisfy its performance obligations over time, the Company's recognizes revenue at a point in time. Basis the recognition and measurement criteria under Ind AS 115, the Management has evaluated the overall impact on its existing project contracts and has considered to apply percentage of completion method for measuring the Company's progress under the respective project contracts, which depicts the Company's performance

towards satisfaction of its performance obligations. Accordingly, necessary adjustments have been made for the year ended 31 March 2019, primarily on account of evaulation of the Company's performance obligations for existing project contracts.

f. **Disclosures pursuant to Indian Accounting Standard (Ind AS) 11, Construction Contracts**

Ind AS 115, Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Accordingly, the below disclosure as required by Ind AS 11 is presented only for comparative period.

Particulars	March 31, 2018
Contract revenue recognised during the year	22,118.62
Aggregate amount of cost incurred and recognised in Standalone Statement of Profit and Loss	23,875.43
The net balance sheet position for ongoing construction contracts is as follows:	
Amount due from customers for contract work	10,186.54
Amount due to customer for construction contract	2,366.97
	7,819.57
The net position relates to	
Aggregate costs incurred and recognised profits (less recognised losses) to date	114,574.62
Less: Progress billing	106,755.05
	7,819.57
Retention outstanding for ongoing projects	**10,158.20**

44. Lease Transactions

The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 12 months. Thus, management is of the view that there is no right to receive or obligation to pay the agreed lease rentals in case of termination. Thus, the disclosure of minimum lease rentals payable or receivable has not been provided.

45. The Standalone financial statements are approved for issue by the Audit Committee and Board of Directors held on May 7, 2019.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of
Elecon Engineering Company Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Elecon Engineering Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group") and its associates, which comprise of the consolidated balance sheet as at 31 March 2019, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 and its associates as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue Recognition – Customer contracts

With respect to accounting policies applied, please refer to Note 2 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
A portion of the revenues of the Group relates to long-term construction contracts and is recognised according to the progress of the individual projects in accordance with Ind AS 115, *Revenue from Contracts with Customers*, generally based on the extent of progress towards completion. The determination of the progress of the contract based on percentage of completion requires to a large extent estimates and judgements, which are based, among other factors, on continually revised planning and other management assessments. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations, total estimated contract costs, remaining costs to completion and total estimated contract revenues, as well as contract risks. Revenue from such contracts aggregates ₹ 30,830.97 Lakhs for the year ended 31 March 2019 (₹ 22,118.62 Lakhs for the year ended 31 March 2018).	**Our audit approach** We assessed the procedure for estimating total contract costs, the method for determining progress of contract as well as the design and implementation of controls to ensure proper planning and management assessments. We performed the following audit procedures for a sample of long-term construction contracts specifically selected on the basis of risk: • interviewing management on estimates of the total contract costs, risks involved and status of the projects; • assessing reasonableness of the significant estimates and judgements that the management has made in connection with long-term customer contracts. Our focus, among others, was on the assessment of the underlying current cost reports of the customer contracts, the posting logic and on the estimates of those responsible for the projects; • assessing computational accuracy of the stage of completion determined as well as any losses anticipated and also the proper accounting treatment of construction contracts. • Evaluating appropriateness of the disclosures in the consolidated financial statements.

Impairment of Trade Receivables

With respect to accounting policies applied, refer to Note 2 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Trade receivables (including retention monies) from third parties aggregate ₹ 59,281.37 Lakhs are reported in the consolidated financial statements of the Group and its associates as at 31 March 2019. The decision as to whether trade receivables are impaired due to anticipated collectability requires judgment and depends on a number of assumptions regarding the ability and willingness of the customers to pay. Indicators of non-collectability that are considered are: past due receivables, financial and economic difficulties of customers and also any performance issues relating to the product or service supplied by the Group. The risk for the consolidated financial statements is that the impairment of trade receivables (including retention monies) from third parties is either recognized too late or not in the amount necessary.	**Our audit approach** We evaluated the process for monitoring past due trade receivables (including retention monies) as well as the design and implementation of control around recognition of impairment losses. We critically reviewed the impairment of a selection of past due receivables selected on the basis of risk, ageing and volume. For this purpose, we analysed ageing of receivables and impairment losses over the course of the year, compared them to historical experience with the debtors concerned, and interviewed the responsible Elecon management and staff regarding credit worthiness of the customers. We also evaluated Elecon management's assessment of credit loss rate as per expected credit loss model (ECL) as prescribed in Ind AS 109 *Financial Instruments* for each segment of customers based on the experience of actual credit losses over past year, adjusted to reflect current economic conditions over the expected life of their receivables and the related disclosures in the consolidated financial statements.

Impairment – Recoverability of Goodwill

With respect to accounting policies applied, refer to Note 2 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2019, the Group has goodwill of ₹ 9,618.55 Lakhs relating to the acquisition of certain subsidiaries of Elecon Transmission International Limited, Mauritius (ETIL). Goodwill with an indefinite useful life is subject to impairment assessment when there is an indication of impairment. In accordance with requirements of Ind AS 36 *Impairment of Assets*, the carrying value of goodwill is tested annually for impairment by comparing the carrying amount of each cash-generating unit ("CGU") to its value in use. The annual impairment testing of goodwill is considered to be a key audit matter by the auditors of ETIL due to the complexity of accounting requirement and significant judgement involved. The recoverable amount of the CGU is based on higher of the value in use or fair value less costs to sell, derived from discounted forecast cash flow model, which uses several key assumptions such as estimated future cash flows, EBIT margins, terminal value growth rate and weighted average cost of capital (WACC), as well as other complex circumstances. Based on the results of these impairment assessments conducted by the Group, it is believed that there is sufficient headroom and therefore there is no impairment of goodwill. This conclusion is based on the recoverable amounts exceeding the carrying value of the cash generating units including goodwill.	**Our audit approach** In view of the significance of the matter, the auditor of the wholly-owned subsidiary ETIL has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: • assessing appropriateness of the valuation methodology used in the circumstances and whether valuation methodology used for determining the value in use is applied consistently with the preceding periods; • assessing and challenging reasonableness of the key valuation assumptions (cash flow assumptions, discount rate and long-term growth rates); • performing sensitivity analyses on the key assumptions such as growth rates and discount rates as these are the key assumptions against which the value-in-use calculations are most sensitive to; • assessing ETIL's planning accuracy by comparing projections for previous and current financial year with the actual results realised and analysed deviations; • testing the carrying amounts of the CGU used in the impairment test for reconciliation with consolidated financial statements; and • testing the arithmetical accuracy of the overall model.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether

the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of 12 subsidiaries, whose financial statements reflect total assets of ₹ 31,784.74 Lakhs as at 31 March 2019, total revenues of ₹ 30,742.61 Lakhs and net cash flows amounting to ₹ 1,403.50 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 385.89 Lakhs for the year ended 31 March 2019, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and one associate is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the Holding Company's management and audited by us.

b) The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ Nil for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of three associates, whose financial statements / financial information have not been audited by us or by other auditors. These unaudited financial statements / financial information have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these three associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Holding Company's management, these unaudited financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements furnished to us by the Holding Company's management.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'.

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

and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associates. Refer Note 40 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 22 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its associate company incorporated in India during the year ended 31 March 2019.

3) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of an associate company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its associate company incorporated in India, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its associate company incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ELECON ENGINEERING COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2019

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Elecon Engineering Company Limited (hereinafter referred to as 'the Holding Company') and its associate company incorporated in India, as of the date.

In our opinion, the Holding Company and its associate company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as 'the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

CONSOLIDATED BALANCE SHEET
as at March 31, 2019

(₹ in Lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	67,768.66	71,008.94
(b) Capital work-in-progress	3	523.36	116.50
(c) Investment property	4	273.37	287.76
(d) Goodwill	5	9,618.55	9,807.41
(e) Other intangible assets	5	2,223.31	2,271.75
(f) Intangible assets under development	5	24.50	24.50
(g) Financial assets			
(i) Investments	6	5,397.95	5,085.99
(ii) Loans	7	52.43	117.01
(iii) Other financial assets	8	59.46	1.52
(h) Deferred tax assets (net)	35	443.33	872.09
(i) Non-current tax assets (net)	9	2,000.14	1,764.41
(j) Other non-current assets	10	2,331.89	2,370.11
Total non-current assets		**90,716.95**	**93,727.99**
II. Current assets			
(a) Inventories	11	31,922.56	28,512.06
(b) Financial assets			
(i) Trade receivables	12	59,281.37	67,124.30
(ii) Cash and cash equivalents	13	5,604.25	4,679.70
(iii) Bank balances other than (ii) above	13	1,954.73	3,596.60
(iv) Loans	7	484.06	581.62
(v) Other financial assets	8	19,637.63	10,212.54
(c) Other current assets	14	7,347.81	8,038.47
Total current assets		**126,232.41**	**122,745.29**
Total assets		**216,949.36**	**216,473.28**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	2,244.00	2,244.00
(b) Other equity	16	74,562.44	68,643.19
Total equity		**76,806.44**	**70,887.19**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	24,385.65	18,697.12
(b) Non-current provisions	18	5,640.47	5,460.58
(c) Deferred tax liabilities (net)	35	8,074.10	7,333.69
(d) Other non-current liabilities	19	26.24	56.29
Total non-current liabilities		**38,126.46**	**31,547.68**

CONSOLIDATED BALANCE SHEET (Contd...)
as at March 31, 2019

(₹ in Lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	28,143.24	35,740.32
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		7,791.33	4,768.97
- Total outstanding dues of creditors other than micro and small enterprises		32,310.32	39,738.58
(iii) Other financial liabilities	21	17,949.48	13,968.39
(b) Other current liabilities	19	12,453.46	16,982.97
(c) Provisions	22	1,673.95	1,357.50
(d) Current tax liabilities (net)	23	1,694.68	1,481.68
Total current liabilities		**102,016.46**	**114,038.41**
Total liabilities		**140,142.92**	**145,586.09**
Total equity and liabilities		**216,949.36**	**216,473.28**

The accompanying notes form an integral part of the consolidated financial statements. 2-48

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	24	122,312.87	118,850.06
Other income	25	6,727.95	547.38
Total income (I)		**129,040.82**	**119,397.44**
Expenses			
Cost of materials consumed	26	57,821.86	52,332.16
Changes in inventories of finished goods and work-in-progress	27	(1,310.11)	2,824.18
Manufacturing expenses and erection charges	28	21,366.47	20,959.17
Excise duty expense		-	827.07
Employee benefits expense	29	13,887.31	13,751.73
Finance costs	30	7,297.10	7,434.03
Depreciation and amortisation expense	3,4 & 5	4,789.25	5,292.32
Other expenses	31	16,749.01	15,685.23
Total expenses (II)		**120,600.89**	**119,105.90**
Profit before share of equity accounted investee and tax (I-II)		**8,439.93**	**291.54**
Share of Profit from Associate (net of tax)		385.89	270.42
Profit before tax		**8,825.82**	**561.96**
Tax expense	35		
Current tax		300.82	650.34
Adjustment of tax relating to earlier periods		344.98	(532.28)
Deferred tax (credit)/charge		1,169.10	(304.60)
Total Tax Expense		**1,814.90**	**(186.54)**
Profit for the year		**7,010.92**	**748.50**
Other comprehensive income			
A. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences in translating the financial statements of a foreign operations	16	(350.51)	(189.07)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (A)		**(350.51)**	**(189.07)**
B. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit (liability)/asset	16	(478.14)	(418.78)
Income tax relating to above		7.50	58.63
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (B)		**(470.64)**	**(360.15)**
Total other comprehensive income for the year (net of tax) [A+B]		**(821.15)**	**(549.22)**
Total comprehensive income for the year		**6,189.77**	**199.28**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd...)
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to:			
Owners of the Company		7,010.92	748.50
Non-controlling interest		-	-
Profit for the year		**7,010.92**	**748.50**
Other comprehensive income attributable to:			
Owners of the Company		(821.15)	(549.22)
Non-controlling interest		-	-
Other comprehensive income for the year		**(821.15)**	**(549.22)**
Total comprehensive income attributable to:			
Owners of the Company		6,189.77	199.28
Non-controlling interest		-	-
Total comprehensive income for the year		**6,189.77**	**199.28**
Earnings per equity share	34		
Equity share of face value INR 2/- each			
Basic		6.25	0.67
Diluted		6.25	0.67

The accompanying notes form an integral part of the consolidated financial statements. 2-48

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Equity Share Capital	Other equity					Foreign currency translation reserve	Total equity
		General reserve	Debenture Redemption Reserve	Securities premium	Capital reserve	Retained earnings		
Balance as at April 1, 2017	2,244.00	44,324.14	-	2,878.14	246.93	20,104.09	1,187.67	70,984.97
Profit for the year	-	-	-	-	-	748.50	-	748.50
Remeasurements of post-employment benefit obligation, net of tax accounted through Other comprehensive income	-	-	-	-	-	(360.15)	-	(360.15)
Foreign currency translation	-	-	-	-	-	-	189.07	189.07
Equity share issued during the year	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(561.00)	-	(561.00)
Dividend distribution tax	-	-	-	-	-	(114.20)	-	(114.20)
Balance as at March 31, 2018	**2,244.00**	**44,324.14**	**-**	**2,878.14**	**246.93**	**19,817.24**	**1,376.74**	**70,887.19**
Balance as at April 1, 2018	**2,244.00**	**44,324.14**	**-**	**2,878.14**	**246.93**	**19,817.24**	**1,376.74**	**70,887.19**
Profit for the year	-	-		-	-	7,010.92	-	7,010.92
Transferred during the year	-	-	2,500.00	-	-	(2,500.00)	-	-
Remeasurements of post-employment benefit obligation, (net of tax) accounted through Other comprehensive income	-	-		-	-	(470.64)	-	(470.64)
Foreign currency translation	-	-		-	-	-	(350.51)	(350.51)
Dividend paid	-	-		-	-	(224.40)	-	(224.40)
Dividend distribution tax	-	-		-	-	(46.12)	-	(46.12)
Balance as at March 31, 2019	**2,244.00**	**44,324.14**	**2,500.00**	**2,878.14**	**246.93**	**23,587.00**	**1,026.23**	**76,806.44**

For description of reserves Refer Note 16

The accompanying notes form an integral part of the consolidated financial statements. (2-48)

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	**8,439.93**	**291.54**
Adjustments for :		
(i) Depreciation and amortisation expense	4,789.25	5,292.32
(ii) Finance costs	7,297.10	6,555.81
(iii) (Gain)/loss on fair valuation of investment	17.13	(14.52)
(iv) (Gain) on sale of property, plant and equipment (net)	(3,698.09)	(100.62)
(v) Interest income	(730.35)	(143.83)
(vi) Dividend income	(0.34)	(0.92)
(vii) Bad debts written off	3,759.64	371.55
(xiv) Excess provision on doubtful debt written back	(3,393.66)	-
(viii) Balances written back	(1,090.73)	(10.11)
(ix) Sundry balances written off	746.62	-
(x) Provision for doubtful debts	-	438.19
(xi) Unrealised exchange (gain)	(334.80)	(545.80)
(xii) Provision for liquidated damages and warranty	1,223.75	(276.00)
(xiii) Reversal of provision for onerous contract	(955.77)	(411.03)
(xiv) Advance from customer written back	-	(317.33)
(xv) Unrealised (gain)/loss on goodwill restatement	188.86	(1,456.11)
Operating Profit before working capital changes	**16,258.53**	**9,673.13**
Working Capital Adjustments		
Decrease /(increase) in trade receivables	8,272.84	(4,509.23)
Decrease /(increase) in inventories	(3,410.50)	1,645.12
Increase in financial assets	(9,812.04)	(7,922.33)
(Increase)/decrease in other current and non-current assets	1,063.59	(189.54)
(Increase)/decrease in trade payables	(4,522.49)	2,598.95
(Increase) /decrease in provisions, other current and non-current liabilities	(4,331.20)	5,059.13
Decrease in other financial liabilities	6,362.01	1,021.69
(Increase) in other payables	(478.14)	(421.52)
Cash generated from operations	**9,402.61**	**6,955.40**
Taxes paid (net of refunds)	(668.53)	80.03
Net cash generated from operating activities (A)	**8,734.08**	**7,035.44**
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(4,507.48)	(2,959.53)
Proceeds from sale of property, plant and equipment	6,053.97	1,103.77
Interest received	730.35	143.83
Dividend received	0.34	0.92
Bank balances not considered as cash and cash equivalents (net)	1,641.76	(3,463.17)
Dividend received from associate	47.94	47.92
Net cash (used in) investing activities (B)	**3,966.88**	**(5,126.24)**

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd...)
for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash flow from financing activities		
Proceeds from non current borrowings	9,974.57	12,446.59
Repayment of current borrowings (net) (Note 3)	(14,206.92)	(11,603.31)
Finance Cost paid	(7,273.54)	(6,518.69)
Dividend paid (including dividend distribution tax)	(270.52)	(675.20)
Net cash (used in) financing activities (C)	**(11,776.41)**	**(6,350.61)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**924.55**	**(4,441.44)**
Cash and cash equivalents at 1 April (Refer Note 13)	**4,679.70**	**9,121.14**
Cash and cash equivalents at 31 March (Refer Note 13)	**5,604.25**	**4,679.70**
Components of cash & cash equivalents :		
Cash on hand	0.02	0.02
Balances with banks		
In current accounts	5,604.23	4,634.68
Cheques on hand	-	45.00
	5,604.25	**4,679.70**

Notes:

1. Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
2. The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) - *Statement of Cash Flows.*
3. In accordance with para 22 of Ind AS 7 - *Statement of Cash Flows*, cash flows from current borrowings have been reported on net basis since these being working capital facilities, the maturities are short.
4. Movement in financial liabilities and financial assets arising from financing activities as at March 31, 2019:

Particulars	Borrowings	Dividends paid (including taxes)	Finance costs
Balance at the beginning of the year	59,048.32	-	188.13
Proceeds from non-current borrowings	9,974.57	-	-
Repayment of borrowings (net)	(14,206.92)	-	-
Dividend paid (including taxes)	-	(270.52)	-
Finance cost paid	-	-	(7,273.54)
Net cash outflows	**54,815.97**	**(270.52)**	**(7,085.41)**
Charge to statement of profit and loss	-	-	7,297.10
Balance at the end of the year	**54,815.97**	**(270.52)**	**211.69**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
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DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Elecon Engineering Limited ('the Holding Company or Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat.

These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in the manufacturing and executing projects on material handling equipment and manufacturing of transmission equipment (see Note 42).

2. Basis of preparation

2.1 Statement of compliance

Consolidated financial statements of the Group comprises, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Consolidated financial statements".These consolidated financial statements 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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Group's accounting policies are included in Note 2.6.

2.2 Functional currency and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 Basis of measurement

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

Items	Measurement basis
Investments in certain equity shares of entities other than subsidiaries and associates	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- **Note 6** – identification of whether the Group has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- **Note 4** – identification of the land &/or building is an investment property.
- **Note 36** – determining the amount of expected credit loss on financial assets (including trade receivables)
- **Note 44** – lease classification; and
- **Note 42** – identification of reportable operating segments
- **Note 24 and 2.5 k** – identification of performance obligation in revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- **Note 3-5** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.

- **Note 35** – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- **Note 39** – measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 18, 22 and 40** – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 36** – impairment of financial assets.
- **Note 22 and 43** – Revenue recognition based on percentage of completion and provision for onerous contracts.

2.5 Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 4** – investment property;
- **Note 36** – financial instruments.

2.6 Significant accounting policies

a) Business combinations

Business combinations (other than common control business combinations) on or after April 1, 2015

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, *Business Combinations*, to only those business combinations that occurred on or after the date of transition to Ind AS i.e. 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2.6 (i)). Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity.

Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations prior to April 1, 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

(i) Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Operating cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Group has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as 12 months.

c) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

d) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this

assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Group

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Presently, all the financial liabilities are measured at amortised cost.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

The estimate of the useful life of the assets for Holding Company has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Details of useful life considered for depreciation along with method of depreciation are provided below:

(i) For Holding Company

- Plant and Machineries are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 5 to 35 years
- Buildings are depreciated on Written Down Value Method (WDV) as per the estimated useful life of the asset: 10 to 60 years
- In respect of all other Fixed Assets depreciation is provided on WDV as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(ii) For Overseas Company

- Plant and Machineries and Buildings are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 7 and 20 years respectively.
- In respect to all other fixed assets depreciation is provided on Straight line Method (SLM) as per the estimated useful life of the asset: 4 to 5 years.

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of profit and loss.

f) Goodwill and other Intangible assets

Goodwill

For measurement of goodwill that arises on a business combination (see Note 2.6 (a) (i)).
Subsequent measurement is at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1 April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under Previous GAAP, adjusted for the reclassification of certain intangibles.

Internally generated: Research and development and software development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets including those acquired by the Group in a business combination are initially measured at cost.

Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

g) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over this period on a straight-line basis. This is different from the indicative useful life of relevant type of assets mentioned in Schedule II to the Companies Act 2013.

Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

i) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Employee benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group makes specified monthly

contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

k) Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

The Group provides normal warranty provisions for general repairs for 18 months from date of material dispatched or 12 months from commissioning whichever is earlier on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

l) **Revenue recognition**

The Group adopted Ind AS 115 'Revenue from contracts with customers", with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Sale of goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

Revenue from services rendered is recognised when services are rendered.

Construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs in certain contracts or for other contracts is determined using output method. Revenue is adjusted towards liquidated damages and price variations/escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Performance Obligations

If a contract contains more than one distinct goods and service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices.

Transition

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated. The impact of the adoption of the Standard on the consolidated financial statements of the Group as well as disclosure are given in note 43.

Rental income

Rental income from investment property is recognised as part of revenue from operations in statement of profit and loss on a straight-line basis over the term of the lease.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

m) **Leases**

Asset held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. For finance leased, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under operating leases are neither recognised in (in case the Group is lessee) nor derecognized (in case the Group is lessor) from the Group's Balance Sheet.

Lease payments

Payments made or received under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

o) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

p) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. For the disclosure on reportable segments see Note 42.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

s) Recent accounting pronouncements but not yet effective

Ind AS 116, Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease

accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group is in the process of evaluating the requirement of amendment and its impact on consolidated financial statements.

Amendments to Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

This interpretation, which will be effective from April 1, 2019, The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

The Group is currently in process of evaluating the impact of this amendment on its consolidated financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group currently does not have any joint operations or joint control and hence there is no impact on its consolidated financial statements.

3. Property, plant and equipment

(₹ in Lakh)

Particulars	Land	Buildings	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Electrical installations & fittings	Sundry equipment	Total	Capital work in progress
Cost										
As at April 1, 2017	**34,327.64**	**8,426.47**	**44,127.09**	**808.07**	**566.30**	**2,512.54**	**1,688.00**	**1,398.31**	**93,854.42**	**98.97**
Additions	-	403.44	552.83	9.61	501.40	6.90	1.19	51.68	1,527.05	1,544.58
Deductions	(663.57)	(194.47)	(252.91)	-	(22.66)	(1.99)	-	-	(1,135.60)	-
Exchange difference	(19.38)	40.53	251.24	(90.18)	(138.14)	(215.76)	(76.35)	62.57	(185.47)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,527.05)
As at March 31, 2018	**33,644.69**	**8,675.97**	**44,678.25**	**727.50**	**906.90**	**2,301.69**	**1,612.84**	**1,512.56**	**94,060.40**	**116.50**
Additions	-	122.99	261.67	139.34	4.90	44.77	31.28	14.20	619.15	1,026.01
Deductions	(260.54)	(4,221.80)	(226.06)	-	(51.06)	(11.94)	-	(226.59)	(4,997.99)	-
Exchange difference	305.79	2,573.41	(116.00)	(1.66)	2.67	1.11	-	174.05	2,939.37	-
Capitalised	-	-	-	-	-	-	-	-	-	**(619.15)**
As at March 31, 2019	**33,689.94**	**7,150.57**	**44,597.86**	**865.18**	**863.41**	**2,335.63**	**1,644.12**	**1,474.22**	**92,620.93**	**523.36**
Accumulated depreciation										
As at April 1, 2017	**-**	**4,216.24**	**8,335.49**	**631.59**	**473.78**	**2,279.44**	**1,277.54**	**1,107.90**	**18,321.98**	**-**
Depreciation for the year	-	706.69	3,767.84	50.32	143.93	57.00	110.87	100.58	4,937.23	-
Deductions	-	(47.53)	(64.79)	-	(19.93)	(1.90)	-	-	(134.15)	-
Exchange difference	-	170.44	243.91	(92.26)	(139.78)	(217.36)	(76.36)	37.81	(73.60)	-
As at March 31, 2018	**-**	**5,045.84**	**12,282.45**	**589.65**	**458.00**	**2,117.18**	**1,312.05**	**1,246.29**	**23,051.45**	**-**
Depreciation for the year	-	485.72	3,535.17	60.40	135.43	33.42	82.33	118.34	4,450.81	-
Deductions	-	(2,204.47)	(174.29)	-	(25.76)	(11.93)	-	(225.68)	(2,642.13)	-
Exchange difference	-	(19.89)	(107.73)	(1.63)	2.60	0.90	(0.01)	117.87	(7.89)	-
As at March 31, 2019	**-**	**3,307.20**	**15,535.60**	**648.42**	**570.27**	**2,139.57**	**1,394.37**	**1,256.82**	**24,852.25**	**-**
Net Block										
As at March 31, 2019	**33,689.94**	**3,843.37**	**29,062.26**	**216.76**	**293.14**	**196.06**	**249.75**	**217.38**	**67,768.66**	**-**
As at March 31, 2018	33,644.69	3,630.13	32,395.80	137.85	448.90	184.51	300.79	266.27	71,008.94	-

Notes :

1) Refer to note 17 for information on property, plant and equipment pledged as security by the Group.
2) For capital commitments, Refer Note 40 (b).

(₹ in Lakhs)

4. Investment properties

Particulars	Office Building	Total
Cost		
As at April 1, 2017	335.62	335.62
Additions	-	-
Deductions	-	-
As at March 31, 2018	335.62	335.62
Additions	-	-
Deductions	-	-
As at March 31, 2019	335.62	335.62
Depreciation and Impairment		
As at April 1, 2017	32.72	32.72
Depreciation for the year	15.14	15.14
Deductions	-	-
As at March 31, 2018	47.86	47.86
Depreciation for the year	14.39	14.39
Deductions	-	-
As at March 31, 2019	62.25	62.25
Net Block		
As at March 31, 2019	273.37	273.37
As at March 31, 2018	287.76	287.76

Information regarding income and expenditure of Investment property

Particulars	Year Ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment property	12.30	11.72
Direct operating expenses (including repairs and maintenance) generating rental income	0.89	0.75
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	11.41	10.97
Less : Depreciation	14.39	15.14
Profit arising from investment property before indirect expenses	(2.98)	(4.17)

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.

4. Investment property (Contd...)

(₹ in Lakhs)

Fair value of the Investment property are as under:

Fair value	Office Building
Balance as at April 1, 2017	530.26
Fair value increase for the year	35.34
Purchases / (Sale)	-
Balance as at March 31, 2018	565.60
Fair value increase for the year	(121.42)
Purchases / (Sale)	-
Balance as at March 31, 2019	**444.18**

Estimation of fair value

As at March 31, 2019 and March 31, 2018 the fair values of the property is based on valuations performed by accredited independent valuer, who specialises in valuing investment property.

A valuation model used in determination of investment property's fair values is in accordance with the recommended valuation techniques by the International Valuation Standards Committee.

The Group obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group consider information from a variety of sources including discounted cash flow projections based on reliable estimates of future cash flows.

The valuation of investment property as at March 31, 2019 is done based on income capitalisation method and March 31, 2018 is done based on market feedback on values of similar properties and hence considered under Level 2 of fair value measurement.

(₹ in Lakhs)

5. Intangible Assets

Particulars	Computer Software	Technical Know-how -Acquired	Licenses	Total	Goodwill on Consolidation	Intangibles under development
Cost						
As at April 1, 2017	**681.32**	**1,552.83**	**349.09**	**2,583.24**	**8,351.30**	**65.00**
Additions	118.08	-	-	118.08	-	77.58
Deductions	-	-	-	-	-	-
Capitalised	-	-	-	-	-	(118.08)
Exchange rate movement	-	350.72	-	350.72	1,456.11	-
As at March 31, 2018	**799.40**	**1,903.55**	**349.09**	**3,052.04**	**9,807.41**	**24.50**
Additions	239.07	-	32.62	271.69	-	271.69
Deductions	-	-	-	-	-	-
Capitalised	-	-	-	-	-	(271.69)
Exchange rate movement	-	(37.18)	-	(37.18)	(188.86)	-
As at March 31, 2019	**1,038.47**	**1,866.37**	**381.71**	**3,286.55**	**9,618.55**	**24.50**
Accumulated amortisation						
As at April 1, 2017	**211.16**	**269.51**	**196.93**	**677.60**	**-**	**-**
Amortisation for the year	138.67	132.15	69.13	339.95	-	-
Deductions	-	-	-	-	-	-
Exchange rate movement	-	(237.26)	-	(237.26)	-	-
As at March 31, 2018	**349.83**	**164.40**	**266.06**	**780.29**	**-**	**-**
Amortisation for the year	162.30	132.65	29.10	324.05	-	-
Deductions	-	-	-	-	-	-
Exchange rate movement	-	(41.10)	-	(41.10)	-	-
As at March 31, 2019	**512.13**	**255.95**	**295.16**	**1,063.24**	**-**	**-**
Carrying amount (net)						-
As at March 31, 2019	**526.34**	**1,610.42**	**86.55**	**2,223.31**	**9,618.55**	**-**
As at March 31, 2018	**449.57**	**1,739.15**	**83.03**	**2,271.75**	**9,807.41**	**-**

Notes :-

(i) Computer software consists of capitalised development costs of Enterprise Resource Planning software being internally generated intangible assets.

(ii) The carrying value of goodwill on consolidation is tested annually for impairment by comparing the carrying amount of each cash-generating unit ("CGU") to its value in use in accordance with the requirements of 'Ind AS 36 - Impairment of Assets'. Management bases its impairment tests on several judgments and estimates, such as estimated future cash flow, growth, EBIT margin and capital cost (WACC) as well as other complex circumstances. Based on the results of this impairment assessment, there is no impairment of goodwill for the year ended March 31, 2019.

6. Financial Assets - Investments

(₹ in Lakhs)

Particulars		March 31, 2019	March 31, 2018
(i) Investment in associates (Quoted) (Refer Note - 47)			
Investment in Eimco Elecon (India) Limited*			
Cost of investments		217.29	217.29
Add : Share of post acquisition profit (net of accumulated losses)		4,879.64	4,550.54
*The Company has pledged 4,76,000 shares (March 2018: 476,000 equity shares) of Eimco Elecon (India) Limited, with the Bank of Baroda, Dubai towards security for loan. Further, 1,00,000 shares of Eimco Elecon (India) Limited have been pledged for availing working capital demand loans.			
Total Investment in associates (at cost)	**(A)**	**5,096.93**	**4,767.83**
Non-trade investments			
Quoted investments (Fully paid-up) (Fair Value through profit and loss)			
(a) 2,500 equity shares (March 31, 2018 : 2,500 equity shares) of INR 2 each of HDFC Bank Limited		57.91	47.29
(b) 53,945 equity shares (March 31, 2018 : 53,945 equity shares) of INR 2 each of Bank of Baroda		69.48	76.71
	(B)	**127.39**	**124.00**
Quoted Investments in Mutual Funds (Fair value through profit and loss)			
637,047.49 units (March 31, 2018 637,047.49 units) of Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan (Pledged as security for term loan taken from a financial institution)		145.18	140.01
	(C)	**145.18**	**140.01**
Unquoted Investments (Fully Paid-up) (Fair value through profit and loss)			
(a) 2,00,000 Equity Shares (March 31, 2018 : 2,00,000 Equity shares) of INR 10 each of Eimco Elecon Electricals Limited		28.28	53.98
(b) 80 Equity Shares (March 31, 2018 : 80 Equity shares) of INR 10 each of Karamsad Urban Co-operative Limited #		0.01	0.01
(c) 100 Equity Shares (March 31, 2018: 100 Equity shares) of INR 10 each of Anand Auto Vehicle Owners Co-operative Credit Society Limited #		0.01	0.01
(d) 30 Equity shares (March 31, 2018 30 Equity shares) of INR 500 each of Charotar Gas Sahakari Mandali Limited #		0.15	0.15
	(D)	**28.45**	**54.15**
Total Investments (A+B+C+D)		**5,397.95**	**5,085.99**
Aggregate market value of quoted investments (including investments in associates)		5,369.50	5,031.84
Aggregate market value of quoted investment (other than investments in associates)		272.58	264.01
Aggregate book value of unquoted investments (including investments in associates)		28.45	54.15

The Holding Company's investments on disposal will fetch only the principal amount invested and hence the Holding Company considers cost and fair value to be the same.

A Scheme of Amalgamation ('the Scheme') between the Company and its wholly owned subsidiary Elecon Transmission International Limited, Mauritius ('ETIL') has been approved on November 01, 2018 and October 31, 2018 by the Board of Directors of the Company and ETIL respectively. Appointed date of the Scheme is April 01, 2019 and the Company has filed the Scheme with various regulatory authorities including the stock exchanges. Considering the Scheme's appointed date and pendency of regulatory approvals, no impact of the Scheme is required to be given in the consolidated financial statement for year ended March 31, 2019.

(₹ in Lakhs)

7. Financial asset : Loans

Particulars	March 31, 2019	March 31, 2018
Loans receivable unsecured - considered good		
Security deposits	536.49	698.63
Total Loans	**536.49**	**698.63**
Non-current	52.43	117.01
Current	484.06	581.62
Total	**536.49**	**698.63**

8. Financial asset : Other financial assets

Particulars	March 31, 2019	March 31, 2018
Balances with bank earmarked as margin money	57.83	-
Deposit with original maturity of more than twelve (12) months	1.63	1.52
Unbilled revenue	19,629.23	10,186.54
Other receivables	8.40	26.00
Total other financial assets	**19,697.09**	**10,214.06**
Non-current	59.46	1.52
Current	19,637.63	10,212.54
Total	**19,697.09**	**10,214.06**

9. Non-current tax assets (net)

Particulars	March 31, 2019	March 31, 2018
Advance tax (net of provision for tax)	2,000.14	1,764.41
Total non-current tax assets (net)	**2,000.14**	**1,764.41**

10. Other non-current assets

Particulars	March 31, 2019	March 31, 2018
Capital advances	323.48	150.91
Prepaid expenses	205.42	326.14
Claims receivable from Government authorities (including amount paid under protest)	1,802.99	1,893.06
Total other non-current assets	**2,331.89**	**2,370.11**

(₹ in Lakhs)

11. Inventories

Particulars	March 31, 2019	March 31, 2018
(At lower of cost and net realisable value)#		
Raw materials	13,046.17	10,723.24
Work-in-progress	11,351.44	9,091.11
Finished goods	3,910.67	6,159.78
Goods in transit	2,475.60	1,200.76
Stores and spares	1,138.68	1,337.17
Total inventories	**31,922.56**	**28,512.06**

#Aforesaid figures are disclosed net of inventory allowance aggregating to INR 1,443.09 Lakhs (March 31, 2018: INR 980.39 Lakhs).

12. Trade receivables

Particulars	March 31, 2019	March 31, 2018
Trade receivable		
Secured, considered good	-	
Unsecured, considered good	59,620.86	66,542.81
Unsecured which have significant increase in credit risk	12,368.18	16,682.82
	71,989.04	**83,225.63**
Less : Allowance for expected credit loss*	(12,707.67)	(16,101.33)
Total Trade receivables	**59,281.37**	**67,124.30**
Receivable from third parties (net of allowance)	57,836.51	65,748.26
Receivables from related parties (Refer Note 38)	1,444.86	1,376.04
Total	**59,281.37**	**67,124.30**

Includes retention money receivable amounting to INR 29,764.97 Lakhs (March 31, 2018 - INR 26,828.24 Lakhs

Allowance for expected credit loss

*Allowance for expected credit loss is calculated based on the expected credit loss (ECL) model as described under Ind AS 109. Refer Note 2.6 and Note 36(b) for the Group's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	**16,101.33**	**15,617.10**
Add : Allowance for the year	1,003.00	484.23
Less : Reversal of allowance	(4,396.66)	-
Balance at the end of the year	**12,707.67**	**16,101.33**

(₹ in Lakhs)

13. Cash and bank balances

	Particulars	March 31, 2019	March 31, 2018
(a)	**Cash and Cash Equivalents**		
	Balances with bank		
	- Current accounts and debit balance in cash credit accounts	5,604.23	4,634.68
	Cheques on hand	-	45.00
	Cash on hand	0.02	0.02
	Total cash and cash equivalents	**5,604.25**	**4,679.70**
(b)	**Other bank balances**		
	Deposits due to mature within 12 months of reporting date	1,498.82	1,034.55
	Deposits with bank as margin money	352.47	2,448.43
	Unpaid dividend accounts	103.44	113.62
	Total other bank balances	**1,954.73**	**3,596.60**
	Total cash and bank balances	**7,558.98**	**8,276.30**

14. Other current assets

Particulars	March 31, 2019	March 31, 2018
Advance to suppliers	4,486.69	5,003.38
Balance with Government authorities	555.76	-
Other advances	166.98	1,158.02
Prepaid expense	1,825.29	1,459.76
Others	313.09	417.31
Total other current assets	**7,347.81**	**8,038.47**

15. Share capital

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	INR in Lakhs	No. of shares	INR in Lakhs
Authorised share capital				
Equity shares of INR 2 each	227,500,000	4,550.00	227,500,000	4,550.00
Cumulative Redeemable Preference Shares of INR 2 each	25,000,000	500.00	25,000,000	500.00
Non-cumulative non-convertible Redeemable Preference Shares of INR 100 each	12,750,000	12,750.00	12,750,000	12,750.00
	265,250,000	**17,800.00**	**265,250,000**	**17,800.00**
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	112,199,965	2,244.00	112,199,965	2,244.00
Total	**112,199,965**	**2,244.00**	**112,199,965**	**2,244.00**

(₹ in Lakhs)

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	INR in Lakhs	No. of shares	INR in Lakhs
At the beginning and at the end of the year	112,199,965	2,244.00	112,199,965	2,244.00

15.2 Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Equity Shares having a par value of INR 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is approved by the Board of Directors.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

15.3 Number of Shares held by each shareholder holding more than 5% Shares in the Holding company

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% of share-holding	No. of shares	% of share-holding
Equity Shares of INR 2 each fully paid held by:				
EMTICI Engineering Limited	26,337,818	23.47	26,337,818	23.47
Prayas Engineering Limited	11,239,414	10.02	11,239,414	10.02
K. B. Investments Private Limited	11,240,418	10.02	11,190,168	9.97
Bipra Investments & Trusts Private Limited	6,709,436	5.98	6,709,436	5.98
HDFC Trustee Company Limited	6,776,473	6.04	8,572,923	7.64

15.4 Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in Cash, Bonus Shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-

Particulars			March 31, 2019	March 31, 2018
Equity Share allotted as fully paid up shares by virtue of schemes of arrangement			19,338,455	19,338,455
- Pertains to financial year	2013-14	16,074,333		
- Pertains to financial year	2016-17	3,264,122		
		19,338,455		

(₹ in Lakhs)

16. Other Equity

16.1 Other reserves

Balance	Other reserves					Component of other comprehensive income	Total
	General reserve	Debenture Redemption Reserve	Securities premium	Capital reserve	Retained earnings	Foreign currency translation reserve	
As at April 1, 2017	**44,324.14**	**-**	**2,878.14**	**246.93**	**20,104.09**	**1,187.67**	**68,740.97**
Add: Profit for the year	-	-	-	-	748.50	-	748.50
Add: Other comprehensive income (net of tax)	-	-	-	-	(360.15)	-	(360.15)
Add: Foreign currency translation	-		-	-	-	189.07	189.07
Balance available for appropriation	**44,324.14**	**-**	**2,878.14**	**246.93**	**20,492.44**	**1,376.74**	**69,318.39**
Less : Appropriations							
Dividend	-	-	-	-	561.00	-	561.00
Tax on dividend	-	-	-	-	114.20	-	114.20
As at March 31, 2018	**44,324.14**	**-**	**2,878.14**	**246.93**	**19,817.24**	**1,376.74**	**68,643.19**
Add: Profit for the year	-	-	-	-	7,010.92	-	7,010.92
Add: Other comprehensive income (net of tax)	-	-	-	-	(470.64)	-	(470.64)
Add: Foreign currency translation	-	-	-	-	-	(350.51)	(350.51)
Balance available for appropriation	**44,324.14**	**-**	**2,878.14**	**246.93**	**26,357.52**	**1,026.23**	**74,832.96**
Less : Appropriations							
Transfer during the year	-	2,500	-	-	(2,500)	-	-
Dividend	-	-	-	-	224.40	-	224.40
Tax on dividend	-	-	-	-	46.12	-	46.12
As at March 31, 2019	**44,324.14**	**2,500**	**2,878.14**	**246.93**	**23,587.00**	**1,026.23**	**74,562.44**

16.2 Dividend distribution made and proposed

Particulars	March 31, 2019	March 31, 2018
Dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2018: INR 0.20 per share (March 31, 2017: INR 0.50 per share)	224.40	561.00
Dividend distribution tax on final dividend	46.13	114.20
	270.53	**675.20**
Proposed dividends on Equity shares		
Final dividend proposed for the year ended March 31, 2019: INR 0.20 per share (March 31, 2018: INR 0.20 per share)	224.40	224.40
Dividend distribution tax on proposed dividend	46.12	46.13
	270.52	**270.53**

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and is not recognised as a liability as at March 31, 2019.

(₹ in Lakhs)

16.3 Description of reserves

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital Reserve represents difference between fair value of the net assets of Elecon EPC Projects Limited and consideration paid.

Debenture Redemption Reserve

The Holding Company is required to create Debenture Redemption Reserve out of the profits in accordance with Section 18 of Companies Act, 2013. It shall be utilised in accordance with the provisions of the Companies Act, 2013.The Holding Company is required to create Debenture Redemption Reserve out of the profits in accordance with Companies Act, 2013.

17. Borrowings

Particulars	March 31, 2019	March 31, 2018
Non-current interest bearing borrowings		
Secured		
Non-convertible redeemable debentures (Refer Note 17.1 (a) and 17.3 (a)&(b))	9,950.42	-
Term Loans		
From banks (Refer Note 17.2 (a) & (g) and 17.3 (a) below)	2,691.65	4,239.01
From financial institutions (Refer Notes 17.2 (a) to 17.2 (c) ,17.3 (a) & 17.2 (f))	11,924.47	14,157.92
From consortium banks (Refer Notes 17.2 (d), 17.3 (c) & 17.2 (f))	-	276.96
Vehicle Loan		
From bank (Refer Note 17.2 (e), 17.3 (d) & 17.2 (f))	-	120.98
	24,566.54	**18,794.87**
Less : Interest accrued	180.89	97.75
Total non-current borrowings	**24,385.65**	**18,697.12**
Current interest bearing borrowings		
Secured		
Working capital loan		
From bank (Refer Note 17.3 (e) to 17.3 (f))	28,168.64	32,354.21
From financial institutions (Refer Note 17.3 (e) to 17.3 (f))	-	2,517.67
Unsecured		
Working capital loans		
From related parties (Refer 17.3(f) below)	5.43	958.84
	28,174.07	**35,830.72**
Less : Interest accrued	30.83	90.40
Total current borrowings	**28,143.24**	**35,740.32**
Total interest bearing borrowings	**52,528.89**	**54,437.44**

17. Borrowings (Contd...)

17.1 Nature of Securities for non-convertible redeemable debentures

a) Non-Convertible Debentures are secured by way of:-

1. Exclusive charge over Madhubhan resorts of Emtici Engineering Limited at Vallabh Vidyanagar, Gujarat.
2. Corporate Guarantee of Emtici Engineering Limited to the extent of INR 15,000 Lakhs.
3. Residual charge over current & fixed assets of the Company.
4. First exclusive charge over Debt Service Reserve Account.
5. Post dated cheques for interest & principal payments from the Holding Company & Undated cheques from Emtici Engineering Limited.
6. Exclusive charge over certain land parcels of the Company at Vallabh Vidyanagar.

17.2 Nature of Securities For Term Loans, Corporate Loans and Vehicle Loans

a) Term Loans from Bank - Loan from Bank of Baroda Dubai are secured is secured by exclusive charge by way of:

1. First Charge by way of mortgage charge on the Assets of Benzler TBA BV.
2. First charge on the Movable Assets of the Radicon Transmission UK Limited, Benzler TBA BV and Elecon USA Transmission Limited.
3. Pledge of the shareholding of Radicon Transmission UK Ltd. held by Holding Company.
4. Pledge of the shares held Radicon Transmission UK Ltd in, Benzlers System AB and Pledge of shares held by Radicon Transmission UK Ltd in Elecon USA Transmission Ltd.
5. Negative pledge over the entire target assets of Radicon Transmission UK Ltd including target IPRs
6. Corporate Guarantee of Holding Company
7. Corporate Guarantee of Elecon USA Transmission Limited
8. Escrow over all receivables of the entire shareholding of the borrower i.e. Radicon Transmission UK Ltd in Benzler TBA BV and Elecon USA Transmission Ltd.
9. Pledge of shares of Eimco Elecon (India) Limited held by Holding Company, or any other security of equivalent value.

The rate of interest is 4% approx

b) Term Loans from financial institution - Loan from IFCI Limited is secured by way of:-

1. Exclusive charge by way of Hypothecation on specific Plant & Machineries.
2. Exclusive mortgage of commercial property of Emtici Engineering Limited located at office No. 21, Yashwant Apartment, Pune - 411004 & Corporate Guarantee of Emtici Engineering Limited to the extent of INR 9,500 Lakhs.
3. Pledge of shares of the Company owned by Emtici Engineering Limited of 0.7 times of outstanding loan amount.
4. Post dated cheques for Interest & Principal Payments.

c) Term Loans from financial institution - Loan from Aditya Birla Finance Limited is secured by exclusive charge by way of:

1. Registered mortgage on commercial property of the Company at Bengaluru, Karnataka.
2. Registered mortgage on freehold land of the Company situated at Rajkot, Gujarat.
3. Hypothecation on specific plant & machineries of the Company.
4. Exclusive charge by way of Pledge of shares of Company owned by Emtici Engineering Limited.
5. Corporate guarantee of Emtici Engineering Limited to the extent of INR 4,500 Lakhs.
6. Debt Service Reserve Account equivalent of 2 immediate due instalment repayment obligation.
7. Undated cheques for principal payments & Post dated cheques for Debt Service Reserve Account.

d) Term Loans from financial institution - Loan from Tata Capital Financial Services Limited is secured by way of:

Exclusive charge by way of Pledge of shares of the Company held by Prayas Engineering Limited.

17. Borrowings (Contd...)

e) Term Loans granted by Consortium of Banks consisting of IDBI Bank is secured by:-

1. First pari passu charge with all corporate loan lenders, over property, plant and equipment of the Company (movable and immovable) present and future, but excluding assets specifically charged to other Term Lenders.
2. Second pari passu hypothecation charge over the current assets of the Company, present and future.
3. Corporate guarantee of Prayas Engineering Limited and Emtici Engineering Limited.
4. Undertaking for non disposal of various land parcels as per loan sanction letter.

f) Vehicle loan from bank - Loan from HDFC Bank Limited is secured by way of:-

1. Exclusive charge by way of Hypothecation on specific vehicles.

g) Rate of Interests for loans from banks & financial institutions

Name of the Bank	Interest Rate %	
	March 31, 2019	March 31, 2018
IFCI Limited	11.45% to 12.00%	11.45%
Aditya Birla Finance Limited	11.50% to 12.85%	11.50%
Tata Capital Financial Services Limited	10.70% to 11.70%	10.70%
State Bank of India	13.90% to 14.40%	12.80% to 13.90%
Bank of Baroda	-	11.20% to 12.30%
IDBI Bank Limited	13.00% to 13.30%	13.0%
Export Import Bank of India	-	13.50%
HDFC Bank	11.86%	11.86%

17.3 Terms of repayment of non-convertible redeemable debentures, term loans and other loans

*a) Term Loans**

(₹ in Lakhs)

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
(i) Non Convertible Debentures - Series I	1,000.00	-	Repayable in quarterly installments of INR 142.86 Lakhs from August 2020 till February 2022.
(ii) Non Convertible Debentures - Series II	9,000.00	-	Repayable in quarterly installments of INR 1125.00 Lakhs from May 2022 till February 2024.
(iii) Aditya Birla Finance Limited	2,775.00	5,550.00	Repayable with first instalment amounting to INR 89.79 Lakhs in August 2022, quarterly instalments of INR 196.48 Lakhs from November 2022 till November 2025 and last instalment of INR 130.99 Lakhs in February 2026.
(iv) IFCI Limited	9,060.00	9,500.00	Repayable in quarterly instalments amounting to INR 220.00 Lakhs from quarter ending Dec'18 and INR 350.00 Lakhs from quarter ending Dec'19.
(v) Tata Capital Financial Services Limited	2,200.00	2,500.00	Repayable in quarterly instalments amounting to INR 312.50 Lakhs from August'19 and INR 12.50 Lakhs in May'19.
(vi) IBM India Private Limited	92.23	-	Repayable in quarterly installments amounting to INR 24.84 Lakhs from June 2018.
(vii) Bank of Baroda, Dubai	2,691.65	4,798.80	Repayable in 20 quarterly installments of GBP 125,000 & 375,000 after 12 months from drawdown date of March 31, 2018.
	26,818.88	**22,348.80**	

* excluding accrued interest and amortised cost but including current maturity of non-current borrowings.

The Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence at each reporting date and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such periodical review during the year, the management has obtained confirmations from respective lenders on continuance of existing terms and conditions During the previous year, the Management pursuant to its aforesaid compliance reviews, renegotiated existing terms and conditions with a lender and mutually agreed to accelerate part repayment to the lender.

(₹ in Lakhs)

17. Borrowings (Contd...)

b) Maturity profile and rate of interest of non-convertible debentures are set out as below:

Effective Rate of Interest	2020-21	2021-22	2022-23	2023-24
Series - I 14.50%, Series II - 17.42%	428.57	571.43	4,500.00	4,500.00

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

c) From Consortium Banks*

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
(i) State Bank of India	-	454.51	Repayable in equated quarterly installments of INR 75 Lakhs starting from October 2015.
(ii) IDBI Bank	125.00	375.00	Repayable in equated quarterly installments of INR 62.5 Lakhs starting from October 2015.
	125.00	**829.51**	

*Including current maturity of long term borrowings; excluding accrued interest and amortised cost.

d) Vehicle Loan#

Lender	March 31, 2019	March 31, 2018	Terms of Repayment
HDFC Bank Limited	110.31	343.94	Repayable in equated monthly instalments from 2017-18 to 2019-20.
	110.31	**343.94**	

Including current maturity of long term borrowings; excluding accrued interest.

e) Nature of Securities {(a) Loans repayable on demand}

(i) Working Capital Loans from banks granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Axis Bank, IDBI Bank & HDFC Bank (Including guarantees issued by them in favour of various clients of the Company) are secured by:-

a) First pari passu hypothecation charge over all the current assets of the Company, present & future.

b) Extension of first pari passu mortgage / hypothecation charge over property, plant and equipment (movable & immovable) present & future, excluding certain assets specifically / exclusively charged to other banks/ financial institutions.

c) Registered mortgage, on first pari passu basis, of land bearing Survey No. 365 & 366 in the name of Prayas Engineering Limited,

d) Pledge of 100,000 shares of Eimco Elecon (India) Limited owned by the Holding Company.

e) Undertaking for non disposal of various land parcels as per loan sanction letter.

f) Corporate guarantees of Prayas Engineering Limited and Emtici Engineering Limited to the extent of INR 39,125 Lakhs respectively.

Name of the Bank	Interest Rate %	
	March 31, 2019	March 31, 2018
State Bank of India	10.90% to 11.45%	8.80% to 10.90%
Bank of Baroda	12.00% to 12.25%	11.25% to 12.25%
IDBI Bank	11.75% to 12.25%	11.55% to 11.75%
Axis Bank	11.00% to 11.45%	11.00%
IndusInd Bank	11.80%	-
HDFC Bank	9.75%	9.75% to 10.20%

(ii) Working Capital Loan obtained from Bank of Baroda, Dubai is secured by way of

- Pledge of receivables, inter-company receivables, inter-company debtors, bank accounts, insurance claims and other current assets of Holding Company and its subsidiaries.
- Pledge of shares of Radicon UK Transmission Limitd, Radicon USA Transmission Limited and David Brown Systems Sweden AB.
- Corporate Guarantee given by Elecon Engineering Company Ltd.
- Pledge of shares of the Company held by Elecon Engineering Company Limited.
- Pledge of immovable properties at Venlo, Netherland.

The rate of interest is 4.25% approx.

The working capital loan is repayable in 20 quarterly installments in 4 installment of GBP 1.25 Lakhs, 4 installment of GBP 3.00 Lakhs, 4 installment of GBP 3.25 Lakhs and 8 installment of GBP 3.75 Lakhs.

(iii) Working Capital Loans from Financial Institution granted by Bajaj Finance Limited is secured by :-

1. Exclusive charge by way of Pledge of shares of a company owned by K. B. Investments Private Limited, The rate of Interest is 10.75%.

f) Terms of Repayment of working capital loan

(1) Secured Loans*

(₹ in Lakhs)

Lender	Interest rate	March 31, 2019	March 31, 2018	Terms of Repayment
Bajaj Finance Limited	10.75%	-	2,500.00	Repayable in a single bullet payment after 12 months of the date of disbursement.
		-	2,500.00	

*excluding accrued interest and amortised cost but including current maturity of non-current borrowings.

(2) Unsecured Loans*

(₹ in Lakhs)

Lender	Interest rate	March 31, 2019	March 31, 2018	Terms of Repayment
PPP Capital Limited	3 months LIBOR+4.5%	5.43	958.84	Repayable on Demand
		5.43	958.84	

*excluding accrued interest and amortised cost but including current maturity of non-current borrowings.

18. Non-current provisions

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Provision for gratuity and pension (Refer Note - 39)	5,189.68	5,038.74
Provision for leave obligations (Refer Note - 39)	450.79	421.84
Total non-current provisions	**5,640.47**	**5,460.58**

19. Other Non-financial liabilities

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Advance from customers	12,165.88	15,147.79
Statutory dues	293.49	1,873.14
Others	18.33	18.33
Total other non-financial liabilities	**12,479.70**	**17,039.26**
Non-current	26.24	56.29
Current	12,453.46	16,982.97
Total	**12,479.70**	**17,039.26**

20. Trade payables

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Dues to micro, small and medium enterprises	7,791.33	4,768.97
Dues to other than micro, small and medium enterprises	32,310.32	39,738.58
Total trade payables	**40,101.65**	**44,507.55**
Dues to related parties (Refer Note - 38)	5,946.23	7,520.32
Dues to third parties	34,155.42	36,987.23
	40,101.65	**44,507.55**

Includes retention money payable to vendors amounting to INR 2,731.33 Lakhs (March 31, 2018 - INR 3,181.09 Lakhs)

Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

Particulars	March 31, 2019	March 31, 2018
Principal amount remaining unpaid to any supplier as at the period end	7,791.33	4,768.97
Interest due thereon.	-	-
The amount of payment made to supplier beyond appointed date	25,308.63	14,533.51
Interest paid thereon	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the Company's management, dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected till the reporting date and has been relied upon by the statutory auditors. Basis the underlying information and records available as at the reporting date, identified MSME parties provided their written consent to the Company for waiver of interest due to them (if any) under the provisions of the MSMED Act. Consequently, the Management has not provided for interest due (if any) to these MSME parties. The disclosures as required by Section 22 of the MSMED Act are given above.

21. Other financial liabilities - Current

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current maturities of non-current borrowings		
- Term loans from financial institutions	2,052.23	3,837.92
- Loans from consortium of banks	124.54	550.00
- Vehicle loans	110.31	222.96
Interest accrued but not due on borrowings	211.71	188.15
Security deposits	118.57	110.81
Unpaid dividends*	103.44	113.62
Capital creditors	-	80.68
Billing in excess of revenue- contract liability	1,905.62	2,444.77
Accrued contractual liability	13,323.06	6,419.48
Total other financial liabilities	**17,949.48**	**13,968.39**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

22. Provisions

Particulars	March 31, 2019	March 31, 2018
Provision for gratuity (Refer Note - 39)	39.35	-
Provision for compensated absences (Refer Note - 39)	116.83	107.71
Provision for contract liabilities	954.91	-
Provision for warranty	427.57	158.73
Provision for onerous contracts	135.29	1,091.06
Total Provisions	**1,673.95**	**1,357.50**

Movement in provisions

Particulars	Provision for contract liabilities	Provision for warranty	Provision for onerous contract and other contract liability
Carrying amount as at April 1 2017	**101.00**	**288.15**	**1,502.09**
Provision made / increase in provision	-	45.58	4,694.77
Provision amount used during the year	(101.00)	-	(4,956.52)
Provision amount reversed during the year	-	(175.00)	(149.28)
Carrying amount as at March 31 2018	**-**	**158.73**	**1,091.06**
Provision made / increase in provision	954.91	427.57	2,759.26
Provision amount used during the year	-	-	(3,715.03)
Provision amount reversed during the year	-	(158.73)	-
Carrying amount as at March 31 2019	**954.91**	**427.57**	**135.29**

Refer 2.6 of significant accounting policies.

Provision for warranty - A provision for warranties relates mainly to standard warranty on sale of the products manufactured by the Group. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Provision for onerous contracts - The Group has entered into various contracts across the segments. It is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. It also includes liquidated damages estimated by the management upto the completion of ongoing contracts.

Provision for contract liabilities - It includes provision for possible levy of liquidated damages and other estimated costs expected to be incurred by the Group on account of potential delays in meeting the contractual obligations of the Group with regard to agreed deliveries/commissioning.

23. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	1,694.68	1,481.68
Total current tax liabilities (net)	**1,694.68**	**1,481.68**

24. Revenue from operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of products		
Transmission equipment sales	86,285.11	78,371.20
Material handling equipment	28,480.17	32,228.46
	114,765.28	**110,599.66**
Sale of services		
Erection and commissioning charges	6,006.34	6,880.45
	6,006.34	**6,880.45**
Other operating revenue		
Sale of scrap	638.23	497.62
Excess provision on doubtful debts written back	-	10.11
Advances from customer written back	-	317.33
Bad debts recovered	15.83	141.78
Arbitration award	671.79	-
Export incentives	210.75	381.48
Other operating revenue	4.65	21.63
	1,541.25	**1,369.95**
Total revenue from operations	**122,312.87**	**118,850.06**

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period from July 01, 2017 to March 31, 2018 and year ended March 31, 2019 is net of GST. However revenue for quarter ended June 30, 2017 included in figures represented for the year ended March 31, 2018 is inclusive of excise duty.

25. Other income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income	124.75	143.83
Interest income from arbitration award	605.60	-
Dividend income	0.34	0.92
Profit on sale of property, plant and equipment (net)	3,698.10	100.62
Net gain on account of exchange variation	678.48	14.52
Rent income	206.56	104.95
Liabilities no longer payable, now written-back	1,090.73	-
Miscellaneous income	323.39	182.53
Total other income	**6,727.95**	**547.38**

26. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	10,723.24	8,790.62
Add : Purchases	60,144.79	54,264.78
	70,868.03	63,055.40
Less : Inventory at the end of the year	13,046.17	10,723.24
Total cost of material consumed	**57,821.86**	**52,332.16**

27. Changes in inventories of finished goods and work-in-progress

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(Increase) / decrease in inventories		
Opening work-in-progress	9,091.11	12,725.76
Closing work-in-progress	(11,351.44)	(9,091.11)
Exchange difference	(0.30)	3.76
	(2,260.63)	**3,638.41**
Opening finished goods (including goods in transit)	7,360.54	6,817.00
Closing finished goods (including goods in transit)	(6,386.27)	(7,360.54)
Exchange difference	(23.75)	(270.69)
	950.52	**(814.23)**
Total changes in inventories of finished goods and work-in-progress	**(1,310.11)**	**2,824.18**

28. Manufacturing expense and erection charges

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Stores, tools and spares consumed	2,665.12	1,744.90
Sub-contracting charges	7,864.05	7,494.96
Power and fuel	974.52	972.65
Erection and other charges	8,311.48	9,362.31
Other manufacturing expenses	1,551.30	1,384.35
Total manufacturing expense and erection charges	**21,366.47**	**20,959.17**

29. Employee benefits expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and wages	11,200.91	10,902.89
Contribution to provident fund and other funds (Refer Note - 39)	672.77	668.20
Employees' welfare expenses	2,013.63	2,180.64
Total employee benefits expense	**13,887.31**	**13,751.73**

30. Finance costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expenses (Refer Note below)	6,264.52	5,946.52
Other borrowing costs (including bank guarantee charges)	882.13	1,464.44
Net loss on foreign currency transaction/translation	150.45	23.07
Total finance costs	**7,297.10**	**7,434.03**

Note

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on term loans	2,009.57	1,927.34
Interest on non-convertible redeemable debentures	130.42	-
Interest on working capital	3,544.48	3,770.81
Interest - others	580.05	248.38
Total finance costs	**6,264.52**	**5,946.52**

31. Other expenses

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
Rent		1,390.70	1,296.09
Computer software charges		944.31	851.21
Rates and taxes		474.38	1,405.82
Repairs and maintenance :			
- Building		104.18	83.61
- Machinery		1,460.52	1,456.74
- Others		26.35	48.27
Insurance (net of recoveries)		364.65	280.26
Travelling, conveyance and communication expense		1,033.28	874.44
Directors sitting fees		14.00	9.70
Commission to Non-Executive Directors		7.50	7.50
Packing, forwarding and distribution expenses (net of recoveries)		3,209.91	2,762.75
Loss on fair valuation of investments (net)		17.13	-
Commission and brokerage		2,553.43	2,170.97
Warranty claim replacement		449.61	434.97
Bad debts written off	3,759.64		371.55
Excess provision on doubtful debt written back (Refer Note 12)	(3,393.66)		-
		365.98	-
Provision on doubtful receivable		-	438.19
Advertisements and sales promotion expenses		163.04	115.39
Payment to auditors (Refer Note- 32)		118.07	117.84
Donations		4.75	-
Expenditure on corporate social responsibility (Refer Note - 33)		62.93	64.50
Lease rentals		958.84	912.96
Legal and professional fees		1,683.39	1,451.91
Bank charges		78.27	91.44
Other receivable/advances written off		746.62	-
Miscellaneous expenses		517.17	439.12
Total		**16,749.01**	**15,685.23**

(i) Research and development expenditure accounted through consolidated Statement of Profit and Loss aggregates INR 298.58 Lakhs (March 31, 2018 : INR 253.42 Lakhs).

32. Payment to auditors

(₹ in Lakhs)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
(a)	As auditors-audit fees*	86.18	87.80
(b)	For other services (limited review, certification etc.)	28.45	27.45
(c)	Out of pocket expenses	3.44	2.59
Total payment to auditors		**118.07**	**117.84**

*Includes audit fees paid to auditors of the respective subsidiary companies.

33. Corporate social responsibility expenditure

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of the Companies Act, 2013, read with rules made thereunder, the Holding Company was required to spend INR 61.04 Lakhs (March 31, 2018: INR 84.03 Lakhs). However, the Holding Company has actually spent INR 62.93 Lakhs (March 31, 2018: INR 63.00 Lakhs) during the current year. Amount unspent during the year is INR Nil (March 31,2018: INR 21.03 Lakhs) The Holding Company has spent following amounts during the year :

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Towards health care, nutrition, sanitation and safe drinking water	11.56	-
Towards education scholarship and vocational skill development	16.75	63.00
Towards armed forces, veterans, war widows/dependants	34.62	-
Total corporate social responsibility expenditure	**62.93**	**63.00**

34. Earnings per share

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit attributable to equity shareholders of the Group (INR in Lakhs)	7,010.92	748.50
Weighted average number of equity shares (Nos.)	112,199,965	112,199,965
Earning per Share (Basic and Diluted) (INR)	6.25	0.67
Face value per Share (INR)	2.00	2.00

(₹ in Lakhs)

35. Tax expenses

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statement of Profit and loss		
Current tax		
Current income tax	300.82	650.34
Adjustment of tax relating to earlier periods	344.98	(532.28)
Deferred tax		
Deferred tax charge / (credit)	1,169.10	(304.60)
Income tax expense reported in the Statement of Profit and Loss	**1,814.90**	**(186.54)**
Other comprehensive income		
Deferred tax (credit) on remeasurements losses of defined benefit plans	**(7.50)**	**(58.63)**
Income tax expense reported in the Statement of Profit and Loss	**1,807.40**	**(245.17)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018.

A) Current tax

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Accounting profit before tax from continuing operations	**8,825.82**	**561.96**
Income tax rate of Company's domestic tax rate	34.944%	34.608%
Tax using Company's domestic tax rate	3,084.09	194.48
Tax effects of :		
Tax exempt income	(0.11)	(0.32)
Tax at special rate	(58.06)	66.93
Share of profit from associate	(134.85)	(93.59)
Other non-deductible expenses (net)	315.41	85.54
Adjustment of tax expense relating to earlier periods	344.98	(532.28)
Different tax rates of foreign subsidiaries	(560.89)	(309.23)
Gain on sale of property of a foreign subsidiary, adjusted against unabsorbed losses	(1,599.35)	-
Current year tax losses on which no deferred tax was recognised	416.17	343.30
	(1,276.70)	(439.65)
Income tax expense	**1,807.40**	**(245.17)**

35. Tax expenses (Contd...)

B. Deferred tax

(₹ in Lakhs)

Particulars	Balance as on April 1, 2017	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2018	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2019
Depreciation for tax purposes	(6,686.87)	454.69	(6,232.17)	418.80	(5,813.37)
Impact of fair valuation of financial assets	(6,917.88)	(32.56)	(6,950.44)	26.42	(6,924.02)
Deferred tax on fair value of investments	(7.92)	(5.93)	(13.85)	0.41	(13.44)
Provision for doubtful debt (including allowance for expected credit losses)	5,359.96	206.25	5,566.21	(1,155.75)	4,410.46
Provision for pension liability	223.05	(67.51)	155.54	63.87	219.41
Expenditure allowable on payment basis	238.76	(59.06)	179.70	16.37	196.07
Expenditure allowable on realised basis	813.71	(191.27)	622.44	(575.15)	47.29
Deferred tax on unabsorbed depreciation	-	-	-	35.93	35.93
Other Comprehensive Income	**46.74**	**58.63**	**105.37**	**7.50**	**112.87**
Exchange difference directly recognised in equity	-	105.61	105.61	(7.57)	98.04
Total deferred tax (expense) / income	-	**468.85**	-	**(1,169.17)**	-
Net deferred tax assets/(liabilities)	**(6,930.45)**	-	**(6,461.60)**	-	**(7,630.77)**
Reflected in the balance sheet are as follows:					
Deferred tax assets	746.49		872.09		443.33
Deferred tax liabilities	(7,676.94)		(7,333.69)		(8,074.10)
Deferred tax liabilities (net)	**(6,930.45)**		**(6,461.60)**		**(7,630.77)**

Reconciliation of deferred tax assets / (liabilities), net	March 31, 2019	March 31, 2018
Opening balance as of April 1	(6,461.60)	(6,930.44)
Tax income/(expense) during the period recognised in profit or loss	(1,169.10)	304.60
Tax income/(expense) during the period recognised in OCI	7.50	58.63
Exchange difference directly recognised in equity	(7.57)	105.61
Closing balance as at March 31	**(7,630.77)**	**(6,461.60)**

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

During the year ended March 31, 2019 and March 31, 2018, the Holding Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Holding 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.

35. Tax expenses (Contd...)

(₹ in Lakhs)

B. Deferred tax (Contd....)

The subsidiaries have the following unused tax losses which arouse on incurrence of business losses under the Income tax for which no deferred tax asset have been recognized in the balance sheet. The losses can be carried forward for a period of 20 years.

Financial year	March 31, 2019
2011-12	7.38
2012-13	71.24
2015-16	17.60
2016-17	647.68
2017-18	1,817.97
2018-19	1,190.96

36. Financial instruments risk management objectives and policies

The Group's financial liabilities comprise mainly of borrowings, trade and other payables. The Group financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to Market risk, Credit risk, Liquidity risk and commodity risk. The Board of the Holding Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The said Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee/ Board of Director has additional oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk, credit risk and investment of surplus funds.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

(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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

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 Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at March 31, 2019, approximately 21% of the Group's borrowings are at fixed rate (March 31, 2018 : 25%). Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial Assets	1,910.74	3,484.50
Financial Liabilities	10,054.36	12,198.57
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	44,761.61	46,849.75

36. Financial instruments risk management objectives and policies (Contd...)

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particular	Impact on Profit / (loss) after tax
March 31, 2019	
Increase in 100 basis points	(291.20)
Decrease in 100 basis points	291.20
March 31, 2018	
Increase in 100 basis points	(306.36)
Decrease in 100 basis points	306.36

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 Group transacts business in foreign currencies (primarily USD, EUR and GBP). Consenquently, the Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Group manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Exposure to Currency Risk:-

The summary quantitative data about the company's exposure to currency risk (based on notional amounts) is as follows:

Particular	March 31, 2019			March 31, 2018		
	USD	GBP	EUR	USD	GBP	EUR
Financial Assets						
Trade receivables	1,497.58	675.62	1,257.35	2,390.35	899.62	1,352.24
Cash and cash equivalents	16.78	-	41.34	32.84	-	190.49
Loans	-	-	-	2,474.75	-	-
Total A	**1,514.36**	**675.62**	**1,298.69**	**4,897.94**	**899.62**	**1,542.73**
Financial Liabilities						
Trade payables	1,021.02	90.05	410.23	796.81	84.97	438.38
Borrowings	318.87	-	-	325.24	-	1,521.40
Total B	**1,339.89**	**90.05**	**410.23**	**1,122.05**	**84.97**	**1,959.78**
Total A - B	**174.47**	**585.57**	**888.46**	**3,775.89**	**814.65**	**(417.05)**

The Company does not have significant exposure to foreign currency risk. Accordingly, the management does not hedge any foreign currency receipts or payments.

36. Financial instruments risk management objectives and policies (Contd...)

The following significant exchange rates have been applied during the year.

(₹ in Lakhs)

Rupees	Average rate		Year-end spot rate	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD 1	67.11	64.95	69.17	65.04
GBP 1	91.38	86.85	90.48	92.28
EUR 1	79.16	74.85	77.70	80.62

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

Particular	USD			GBP			EUR		
	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax
March 31, 2019									
Strengthening	3.00%	5.23	3.41	2.00%	11.71	7.62	2.00%	17.77	11.56
Weakening		(5.23)	(3.41)		(11.71)	(7.62)		(17.77)	(11.56)
March 31, 2018									
Strengthening	1.00%	37.76	24.69	6.00%	48.88	31.96	3.00%	(12.51)	(8.18)
Weakening		(37.76)	(24.69)		(48.88)	(31.96)		12.51	8.18

Equity price risk

The Group's investment consists of investments in equity shares of publicly traded companies held for purposes other than trading as well as investments in quoted mutual funds. Since these investments are insignificant, the exposure to equity price changes is minimal.

(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 Group is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Other financial assets

This comprises mainly of deposits with banks, investments in mutual funds and other intercompany receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the credit rating agencies.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

36. Financial instruments risk management objectives and policies (Contd...)

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

Bucket	March 31, 2019	March 31, 2018
Not due	0.94%	1.25%
0-1 year	4.60%	5.39%
1-3 years	14.50%	17.30%
Greater than 3 years	61.16%	72.33%
Expected Credit Losses rate	20.30%	24.07%
Amount of Expected credit loss provided for	12,707.67	16,101.33

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables. Movement in provision of expected credit loss has been provided in note no. 12.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group 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 both domestic and international banks at an optimised cost.

The table below analysis non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

Particulars	Carrying amount	Less than 12 months	1-2 years	2-5 years	more than 5 years	Total
Year ended March 31, 2019						
Financial liabilites						
Borrowings	52,528.89	34,538.04	7,414.75	21,735.04	4,372.42	68,060.25
Trade payables	40,101.65	40,101.65	-	-	-	40,101.65
Other financial liabilities	17,949.48	20,492.35	-	-	-	20,492.35
Total	**110,580.02**	**95,132.04**	**7,414.75**	**21,735.04**	**4,372.42**	**128,654.25**
Year ended March 31, 2018						
Financial liabilites						
Borrowings	54,437.44	36,656.00	5,494.58	12,853.17	7,092.49	62,096.24
Trade payables	50,927.03	50,927.03	-	-	-	50,927.03
Other financial liabilities	7,548.91	8,704.06	-	-	-	8,704.06
Total	**112,913.38**	**96,287.09**	**5,494.58**	**12,853.17**	**7,092.49**	**121,727.33**

36. Financial instruments risk management objectives and policies (Contd...)

(d) Commodity price risk

Commodity price risk arises due to fluctuation in prices of steel. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in the commodity prices and freight costs. The Group's commodity risk is managed through well-established control processes.

(e) Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using Debt- Equity ratio, which is net debt divided by total equity. The Group's policy is to keep the net debt to equity ratio below 2. The Group includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings (Note 17 and 20)	54,815.97	59,048.32
Less: cash and cash equivalents (Note 13)	(5,604.25)	(4,679.70)
Adjusted net debt	**49,211.72**	**54,368.62**
Equity share capital (Note 15)	2,244.00	2,244.00
Other equity (Note 16)	74,562.44	68,643.19
Total equity	**76,806.44**	**70,887.19**
Adjusted net debt to total equity ratio	**0.64**	**0.77**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

37. Fair Value Measurements

A. Accounting classification and fair values

(₹ in Lakhs)

As at March 31, 2019

Particulars	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Investments (Note 1)	**300.85**	-	**0.17**	**301.02**	**272.57**	-	**28.45**	**301.02**
Trade receivables	-	-	59,281.37	59,281.37	-	-	-	-
Cash and cash equivalents	-	-	5,604.25	5,604.25	-	-	-	-
Other bank balance	-	-	1,954.73	1,954.73	-	-	-	-
Other financial assets	-	-	19,697.09	19,697.09	-	-	-	-
Loans	-	-	536.49	536.49	-	-	-	-
Total Financial assets	**300.85**	-	**87,074.10**	**87,374.94**	**272.57**	-	**28.45**	**301.02**
Borrowings (excluding current maturities)	-	-	52,528.89	52,528.89	-	-	52,528.89	52,528.89
Trade payables	-	-	40,101.65	40,101.65	-	-	-	-
Other financial liabilites	-	-	17,949.48	17,949.48	-	-	-	-
Total Financial liabilities	-	-	**110,580.02**	**110,580.02**	-	-	**52,528.89**	**52,528.89**

As at March 31, 2018

Particulars	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Investments (Note 1)	**317.99**	-	**0.17**	**318.16**	**264.01**	-	**54.15**	**318.16**
Trade receivables	-	-	67,124.30	67,124.30	-	-	-	-
Cash and cash equivalents	-	-	4,679.70	4,679.70	-	-	-	-
Other bank balance	-	-	3,596.60	3,596.60	-	-	-	-
Other financial assets	-	-	10,214.06	10,214.06	-	-	-	-
Loans	-	-	698.63	698.63	-	-	-	-
Total Financial assets	**317.99**	-	**86,313.46**	**86,631.45**	**264.01**	-	**54.15**	**318.16**
Borrowings (excluding current maturities)	-	-	54,437.44	54,437.44	-	-	54,437.44	54,437.44
Trade payables	-	-	50,927.03	50,927.03	-	-	-	-
Other financial liabilites	-	-	7,548.91	7,548.91	-	-	-	-
Total Financial liabilities	-	-	**112,913.38**	**112,913.38**	-	-	**54,437.44**	**54,437.44**

Note 1 Investments in associate, joint venture and subsidiaries have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of enitities other than subsidiaries, associates and joint ventures have been designated as FVTPL. However, investments in equity shares other than those of Eimco Elecon Electricals Limited (EEEL) is not considered material and hence have not been fair valued.

37. Fair Value Measurements (Contd...)

B. **Measurement of fair values**

i) **Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

On account of materiality and in absence of sufficient information for determination of fair value of investments in equity shares of INR 0.17 lakhs (March 31, 2018 INR 0.17 lakhs) , the Group has not fair valued the same.

ii) **Levels 1, 2 and 3**

Level 1 : It includes Investment in equity shares and mutual funds that have a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

C. **Fair value through profit and loss - in unquoted equity shares:**

Investments in equity shares of Eimco Elecon Electricals Limited (EEEL) have been designated as FVTPL. Based on EEEL's future projections of 5 years, Discounted Cash Flow (DCF) valuation methodology has been used to determine the fair value as on March 31, 2019.

Significant unobservable inputs

The free cash flows have been discounted using weighted average cost of capital (WACC) and cost of equity which is based on the capital asset pricing model. The model considered data from comarable companies to obtain the dicounted free cash flows based on latest available data prior to date of valuation. These assumptions have been adjusted appropriately at each reporting date. Key assumptions have been summarised below:

Particulars	March 31, 2019	March 31, 2018
Beta for WACC	1.00	1.00
Risk free rate of return	7.80%	7.18%
Cost of equity	12.50%	11.00%
Cost of debt	Nil	Nil
WACC	12.50%	11.00%
Perpetual growth rate	5.00%	5.00%

ii) **Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.

iii) **Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended March 31, 2019 and March 31, 2018 is as below:

(₹ in Lakhs)

Particulars	Amount
As at March 31, 2017	**44.25**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	9.90
As at March 31, 2018	**54.15**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	(25.70)
As at March 31, 2019	**28.45**

37. Fair Value Measurements (Contd...)

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended March 31, 2019 and March 31, 2018.

Sensitivity analysis - Investments in unquoted equity instruments of EECL (Value per share)

2018-19		Perpetual growth rate	
		-1%	+1%
Cost of equity	-1%	14.31	15.71
	+1%	13.23	13.98

2017-18		Perpetual growth rate	
		-1%	+1%
Cost of equity	-1%	26.10	26.35
	+1%	(24.46)	(24.70)

38. Related party disclosure

As per the Ind AS - 24 *Related Party Disclosures*, the related parties of the Company are as follows :

A) Name of the related parties and nature of relationships :

a) Associates

(i) Eimco Elecon (India) Limited
(ii) Elecon Australia Pty. Limited
(iii) Elecon Africa Pty. Limited
(iv) Elecon Engineering (Suzhou) Co. Limited, China

b) Key managerial personnel

(i) Mr. Prayasvin B. Patel - Chariman & Managing Director
(ii) Mr. Prashant C. Amin - Executive Director
(iii) Mr. Rajat Jain (upto December 31, 2017) - Chief Financial Officer
(iv) Mr Kamlesh Shah (w.e.f May 05, 2018) - Chief Financial Officer
(v) Mr. Pradip M. Patel - Director
(vi) Mr. Jal Patel - Independent Director
(vii) Mr. Chirayu R. Amin - Independent Director
(viii) Mr. Jai S. Diwanji - Independent Director
(ix) Dr. Sonal V. Ambani - Independent Director

c) Entities forming part of the same group (with whom transaction undertaken during the year or previous year)

(i) Devkishan Investment Private Limited
(ii) K. B. Investments Private Limited
(iii) Elecon Information Technology Limited
(iv) Tech Elecon Private Limited
(v) Emtici Engineering Limited
(vi) Prayas Engineering Limited
(vii) Specialty Wood Pack Private Limited
(viii) Power Build Private Limited
(ix) Elecon Hydraulics Private Limited
(x) Akaaish Mechatronics Limited
(xi) Madhubhan Prayas Resorts Limited
(xii) Wizard Fincap Limited
(xiii) Eimco Elecon Electricals Limited
(xiv) Elecon Peripherals Limited

(₹ in Lakhs)

38. Related party disclosure (Contd...)

(xv) Packme Industries Private Limited
(xvi) Darshan Chemicals
(xvii) WRC Engineering Company Private Limited
(xviii) Radicon Transmission FZE
(xix) Radicon Transmission (Thailand) Limited
(xx) Radicon Transmission (Australia) Pty Limited
(xxi) Vijay M. Mistry Construction Private Limited

d) Other related party

Post employment benefit plan

(i) Elecon Engineering Company Limited Employees Group Gratuity Fund
(ii) Elecon Engineering Company Limited Employees Superannuation scheme

B) Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given and taken, at the year-end are unsecured and interest free and settlement occurs in cash other than for advance.

2) Loans in USD and GBP given to the related party carries interest rate at Nil (March 31, 2018 :4.05% to 5.17%).

Transactions with key management personnel

Compensation of key management personnel of the Company.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term employee benefits		
- Mr. Prayasvin B. Patel	237.31	242.61
- Mr. Prashant C. Amin	229.11	204.54
- Mr. Kamlesh Shah	47.16	-
- Mr. Rajat Jain	-	45.16
Commission and sitting fees to Independent director	21.50	17.20
Total compensation paid to key management personnel	**535.08**	**509.51**

Key Managerial Personnel who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

38. Related party disclosure (Contd...)

(₹ in Lakhs)

Particulars	Associates		Key Managerial Personnel		Entities forming part of the same Group (with whom transactions undertaken during the current year or previous year)		Employement benefit plans	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of material / finished goods	16.08	10.89	-	-	10,211.78	10,837.53	-	-
Job work income	11.52	10.33	-	-	112.81	67.16	-	-
Job work expenses paid	3.49	5.98	-	-	77.28	34.32	-	-
Sale of finished goods/ consumable stores	546.89	413.04	-	-	2,286.93	1,513.12	-	-
Purchase of property plant and equipment	-	281.25	-	-	77.15	929.38	-	-
Sales of property plant and equipment	-	1,000.00	-	-	19.84	45.95	-	-
Remuneration paid to key managerial personnel	-	-	535.08	635.82	-	-	-	-
Other expenses charged from related parties	8.03	26.74	-	-	370.17	417.82	-	-
Other expenses charged by related parties	0.93	40.36	-	-	3,079.00	3,352.07	-	-
Interest Expenses	-	-	-	-	169.85	73.61	-	-
Corporate Guarantee Commission	-	-	-	-	6.37	-	-	-
Contribution made to post employment defined benefit plans trust	-	-	-	-	-	-	9.86	-
Outstanding balances								
Trade payables	7.05	29.17	-	-	5,939.18	7,885.23	-	-
Trade receivables	93.56	47.83	-	-	1,351.30	1,328.21	-	-
Advances received	-	-	-	-	0.23	147.71	-	-
Advances given	-	-	-	-	-	2.58	-	-

*For guarantees / collateral given on behalf of the Company by related parties, Refer Note 17 of these consolidated financial statements.

(₹ in Lakhs)

38. Related party disclosure (Contd...)

Particulars	Associates		Entities forming part of the same Group (with whom transactions undertaken during the current year or previous year)		Employement benefit plans	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of material / finished goods						
(i) Specialty Wood Pack Private Limited	-	-	812.30	686.77	-	-
(ii) Elecon Peripharals Limited	-	-	1,661.16	1,322.69	-	-
(iii) Eimco Elecon (India) Limited	16.08	10.89	-	-	-	-
(iv) Power Build Private Limited	-	-	1,181.29	721.72	-	-
(v) Radicon Transmission (Thailand) Limited	-	-	4,827.55	6,042.12	-	-
(vi) Prayas Engineering Limited	-	-	956.53	1,194.25	-	-
(vii) Elecon Hydraulics Private Limited	-	-	611.96	707.62	-	-
(viii) Others	-	-	160.99	162.37	-	-
	16.08	**10.89**	**10,211.78**	**10,837.53**	**-**	**-**
Other expenses charged by related parties						
(i) Akaaish Mechatronics Limited	-	-	1,089.65	1,014.70	-	-
(ii) Elecon Information Technologies Limited	-	-	21.16	17.04	-	-
(iii) Emtici Engineering Limited	-	-	1,044.81	1,167.90	-	-
(iv) Prayas Engineering Limited	-	-	236.25	313.56	-	-
(v) Others	-	-	687.13	838.87	-	-
	-	**-**	**3,079.00**	**3,352.07**	**-**	**-**
Trade payables						
(i) Elecon Peripherals Limited	-	-	679.69	952.22	-	-
(ii) Radicon Transmission (Thailand) Limited	-	-	2,508.92	3,382.89	-	-
(iii) Prayas Engineering Limited	-	-	396.42	950.96	-	-
(iv) Power Build Private Limited	-	-	700.34	662.86	-	-
(iv) Others	-	-	1,653.82	1,936.30	-	-
	-	**-**	**5,939.18**	**7,885.23**	**-**	**-**

Aakaaish Investments Private Limited being an ultimate holding Company and Lotus Trust being an entity with control over the Company with whom no transaction is undertaken during the year and hence not reported.

39. Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of INR 672.77 Lakhs (March 31, 2018: INR 668.21 Lakhs) is recognised as expenses and included in Note No. 29 "Employee benefits expense"

Particulars	As at March 31, 2019	As at March 31, 2018
Provident Fund and Pension	666.37	660.87
Superannuation Fund	6.40	7.34
	672.77	**668.21**

39. Disclosure pursuant to employee benefits (Contd...)

B. Defined benefit plans:

The Group has following post employement benefits which are in the nature of defined benefit plans:

(a) Gratuity and Pension

The Group operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Group, 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.

March 31, 2019 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

		Gratuity and pension cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset and Increase (decrease) in obligation due to fluctuation in exchange rate	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2019
	April 1, 2018	Service cost	Net interest expense	Sub-total included in statement of Profit and Loss (Note 29)			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	1,281.10	72.77	98.42	171.19	1.84	(169.86)	-	-	10.04	(5.07)	4.97	-	1,289.24
Fair value of plan assets	(1,322.01)	-	(101.56)	(101.56)	(5.22)	169.86	11.58	-	-	-	11.58	(2.55)	(1,249.89)
Benefit liability/(asset)	**(40.91)**	**72.77**	**(3.15)**	**69.63**	**(3.37)**	**-**	**11.58**	**-**	**10.04**	**(5.07)**	**16.55**	**(2.55)**	**39.35**
Pension, gratuity and medical plan													
Defined benefit obligation	5,038.74	0.90	(227.09)	(226.19)	(98.78)	-	-	-	475.00	-	475.00	0.90	5,189.68
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**5,038.74**	**0.90**	**(227.09)**	**(226.19)**	**(98.78)**	**-**	**-**	**-**	**475.00**	**-**	**475.00**	**0.90**	**5,189.68**
Total benefit liability	**4,997.83**	**73.68**	**(230.25)**	**(156.56)**	**(102.16)**	**-**	**11.58**	**-**	**485.04**	**(5.07)**	**491.54**	**(1.64)**	**5,229.03**

39. Disclosure pursuant to employee benefits (Contd...)

March 31, 2018 : Changes in defined benefit obligation and plan assets

(₹ in Lakhs)

		Gratuity and pension cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2017	Service cost	Net interest expense	Sub-total included in statement of Profit and Loss (Note 29)	Transfer in/ Transfer Out liability/asset and Increase (decrease) in obligation due to fluctuation in exchange rate	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	Contributions by employer	March 31, 2018
Gratuity													
Defined benefit obligation	1,323.60	109.91	99.43	209.34	(0.59)	(223.20)	-	15.87	(8.47)	(35.45)	(28.05)	-	1,281.10
Fair value of plan assets	(1,342.54)	-	(100.86)	(100.86)	-	223.20	10.51	-	-	-	10.51	(112.31)	(1,322.01)
Benefit liability/(asset)	**(18.94)**	**109.91**	**(1.43)**	**108.48**	**(0.59)**	**-**	**10.51**	**15.87**	**(8.47)**	**(35.45)**	**(17.54)**	**(112.31)**	**(40.91)**
Pension, gratuity and medical plan													
Defined benefit obligation	4,296.61	1.85	(275.01)	(273.16)	573.22	-	-	-	405.07	-	405.07	36.99	5,038.74
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**4,296.61**	**1.85**	**(275.01)**	**(273.16)**	**573.22**	**-**	**-**	**-**	**405.07**	**-**	**405.07**	**36.99**	**5,038.74**
Total benefit liability	**4,277.67**	**111.75**	**(276.44)**	**(164.68)**	**572.63**	**-**	**10.51**	**15.87**	**396.60**	**(35.45)**	**387.54**	**(75.31)**	**4,997.83**

39. Disclosure pursuant to employee benefits (Contd...)

(₹ in Lakhs)

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurance Fund for gratuity (%) of total plan assets	100%	100%
Insurance Fund for pension	0%	0%

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

a) For Gratuity (for Indian entities)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.48%	7.68%
Future salary increase	6.50%	6.50%
Expected rate of return on plan assets	7.48%	7.68%
Employee turnover rate	10.00%	10.00%
Morality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Morality (2006-08)

b) For Pension (for overseas entities)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	2.35%	2.35%
Future salary increase	0.00%	0.00%

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

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2019 INR	Year ended March 31, 2018 INR
Discount rate	1% increase	(48.26)	(47.07)
	1% decrease	53.41	52.00

(b) Leave obligations -Unfunded

The acturial Liability towards leave obligations as at March 31, 2019 is INR 567.62 Lakhs (March 31, 2018 is INR 529.55 Lakhs). Current year charge is included in Employee benefit expense (Refer Note 29).

40. Contigent liabilities and commitments

(₹ in Lakhs)

	Particulars	March 31, 2019	March 31, 2018
(a)	Contingent liabilities:		
	Claims against the Company not acknowledged as debt		
(i)	Disputed with Excise and Service tax authority	7,633.51	7,877.54
(ii)	Disputed with Sales tax authority	1,122.61	1,161.16
(iii)	Disputed with Income tax authority	2,308.05	1,850.67
(iv)	Sales bills discounted under letter of credit with Banks	39.74	596.69
(v)	In respect of arbitration proceeding as directed by Honourable Gujarat High Court in response to an application made by one of the contractor of the company for INR 206.07 lakhs (March 31, 2018: 206.07 lakhs). However the company has made a counter claim of INR 200.00 Lakhs (March 31, 2018: 200.00 lakhs) with the same arbitrator in response and as per the books of account INR 51.88 Lakhs (March 31, 2018 : 51.88 lakhs) is due to him.	154.19	154.19
(vi)	Incremental bonus liability for the year 2014 -15	151.75	151.75
(vii)	NexGen Energy Partners, LLC of USA has filed a case bearing no. 2011 CV 0066, against Reflecting Blue Technologies (RBT) of USA and the Group, in the Court of Ohio, USA on account of non performing of Wind Mill supplied through Reflecting Blue Technologies (RBT). The matter is pending in the Court of Ohio, USA and amount of claim is unascertainable.	Amount not ascertained	Amount not ascertained
(viii)	In respect of a commercial civil suit filed by a customer against the Holding Company with the Commercial Civil Court, Ahmedabad amounting to INR 4,933 lakhs (March 31, 2018: 4,933 lakhs). Against this, the Group has filed a counter claim of INR 549 lakhs (March 31, 2018: 549 lakhs) against the Customer for the default made by the customer.	4,384.00	4,384.00
(ix)	With reference to the Surya Roshani Limited & others v/s EPFO judgment of the Hon'ble Supreme Court of India, which set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available. Accordingly, in view of management, any additional financial liability for the period from date of the order of the Hon'ble Supreme Court of India (28 February 2019) for the year ended 31 March 2019 is not significant. In addition, pending the outcome of directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts.	Amount not ascertained	-

40. Contigent liabilities and commitments (Contd....)

(₹ in Lakhs)

	Particulars	March 31, 2019	March 31, 2018
	Guarantees		
(i)	Corporate Guarantee provided to Swedish Pension Authority to the to the tune of SEK 15.00 Million (March 31, 2018: SEK 15.00 Million) and SEK 45 Million (March 31, 2018: SEK 35.00 Million) as a security, in replacement of earlier guarantee given by erstwhile owner, for the purchase of pension insurances relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, by Holding Company and Elecon Transmission International Limited respectively.	4,477.37	3,900.81
(ii)	Contingent liability with PRI (Pension liability) for AB Benzlers (Sweden) SEK 934,000 (March 2018 : 934,000)	69.65	72.85
(iii)	Guarantee amounting to SEK 8.00 Million (March 31, 2018: SEK 8.00 Million) issued by Company's banker relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Elecon Transmission International Limited, Mauritius, a Wholly-owned Subsidiary of the Company	598.27	624.43
(iv)	The Holding Company has provided Corporate Guarantee to Bank of Baroda, Dubai to the tune of GBP Nil and US$ Nil (March 31, 2018: GBP 7,216,000 and US$ 282,99,876) as a security for repayment of Financial facility availed by Elecon Transmission International Limited, Mauritius, a wholly owned subsidiary of the Company.	-	25,066.66
(v)	The Holding Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 6,000,000 (March 31, 2018: GBP 6,000,000) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, United Kingdom, a subsidiary of the Holding Company.	5,428.54	5,537.08
(vi)	The Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 8,299,000 and US$ 22,098,000 (March 31, 2018: GBP Nil and US$ Nil) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, UK, a subsidiary of the Company.	22,794.04	-
(b)	**Commitments:**		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	624.87	664.28
(ii)	Liability for Export Obligation under Advance Licence	1,552.05	1,552.05

41. Disclosure on Specified Bank Notes

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these consolidated financial statements since the requirement does not pertain to financial year ended March 31, 2019.

42. Segment reporting

(₹ in Lakhs)

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chairman and Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's Chairman & Managing Director reviews internal management reports periodically. The CMD is designated as the Chief Operating Decision Maker (CODM).

Reportable segment	Description of products/services
Material handling equipment	The segment is egnaged in manufacturing of material handling equipments like raw material handling system, stackers, reclaimers, bagging & weighing machines, wagaon & truck loaders, crushers, wagon tipplers, feeders and port equipments. It is also engaged in executing projects on these material handling equipments.
Transmission equipment	Manufacturing of material transmission equipments like gearboxes, couplings and elevator traction machines.

Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Segment revenue from operations:		
(a) Material handling equipment	34,513.11	38,254.50
(b) Transmission equipment	87,799.76	80,595.56
Total segment revenue including intersegment revenue	**122,312.87**	**118,850.06**
Less: Inter regment revenue	-	-
Total segment revenue from operations	**122,312.87**	**118,850.06**
Segment profit/(loss) before tax & interest		
(a) Material handling equipment	(396.87)	(1,657.34)
(b) Transmission equipment	16,168.85	9,482.33
Net segment profit/(loss) before tax & interest	**15,771.98**	**7,824.99**
Reconciliation of segment profit with profit before tax		
i) Finance cost	7,297.10	7,434.03
ii) Other unallocated corporate expenses net off	241.85	205.28
iii) Unallocable income	592.79	376.28
Profit before tax as per statement of profit and loss	**8,825.82**	**561.96**

42. Segment reporting (Contd...)

(₹ in Lakhs)

Other Informations	Year Ended March 31, 201	Year Ended March 31, 2018
Segment assets		
(a) Material Handling Equipment	60,765.51	68,305.29
(b) Transmission Equipment	148,155.17	138,661.72
Total segment assets	**208,920.68**	**206,967.01**
(c) Unallocable	8,028.69	9,506.27
Total assets	**216,949.37**	**216,473.28**
Segment liabilities		
(a) Material Handling Equipment	40,408.66	50,823.55
(b) Transmission Equipment	89,862.06	85,957.73
Total segment liabilities	**130,270.72**	**136,781.28**
(c) Unallocable	9,872.22	8,804.81
Total liabiities	**140,142.94**	**145,586.09**

Geographical information

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Segment revenue from external customers		
India	90,055.23	85,391.52
Ouside India	32,257.64	33,458.54
Total segment revenue	**122,312.87**	**118,850.06**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Non-current assets		
India	78,523.04	81,261.65
Ouside India	12,193.91	12,466.34
Total non-current assets	**90,716.95**	**93,727.99**

There is no single external customer which exceeds 10% of the Group's revenue.

(₹ in Lakhs)

43. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:-

a. Disaggregation of revenue

The Company believes that the information provided under Note 24 and Note 42, is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, *Revenue from Contracts with Customers.*

b. Reconciliation the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2019
Revenue as per contracted price	124,656.80
Adjustments	
Variable consideration reduction on account of liquidated damages	(3,242.30)
Arbitration award	671.79
Revenue from contract with customers	**122,086.29**
Export incentives	210.75
Bad debts recovered	15.83
Revenue from operations (Refer Note 24)	**122,312.87**

c. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	As at March 31, 2019
Trade receivables	**59,281.37**
Contract assets	
Unbilled revenue - Other financial assets	19,629.23
Contract liabilities	
Billing in excess of revenue	1,905.62
Accrued contractual liability	13,323.06
Advance from customers	12,165.88

d. Unsatisfied performance obligations

The Group applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. Accordingly, the Group recognises revenue by an amount to which the Group has a right to invoice.

e. Changes in significant accounting policies / Transition to Ind AS 115

The Company has adopted Ind AS 115 "Revenue from contracts with customers" with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 prospectively whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

The following table summarises the impact of adopting Ind AS 115 on the consolidated financial statements for the year ended on 31 March 2019, except for consolidated Cash Flow Statement, where there is no impact on total operating, investing or financing cash flows.

(₹ in Lakhs)

43. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:- (contd.)

Standalone Balance Sheet as at 31 March 2019 :

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Liabilities			
Other financial liabilities	17,949.48	(751.44)	17,198.04
Total liabilities	**140,142.92**	**(751.44)**	**139,391.48**
Equity			
Other equity	74,562.44	751.44	75,313.88
Total equity	**76,806.44**	**751.44**	**77,557.88**

Consolidated Statement of Profit and Loss for the year ended 31 March 2019 :

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Cost of material consumed	57,821.86	(751.44)	57,070.42
Profit before tax	**8,825.82**	**751.44**	**9,577.25**
Tax expense	1,814.90	262.58	2,077.48
Profit for the year	**7,010.92**	**488.86**	**7,499.77**
Other comprehensive income for the year, net of tax	(821.15)	-	(821.15)
Total comprehensive income for the period	**6,189.77**	**488.86**	**6,678.63**

The nature of adjustments are described below:

The Management determines at the contract inception whether the Group satisfies all its performance obligations over time or at a point in time. If the Group does not satisfy its performance obligations over time, the Group recognizes revenue at a point in time. Basis the recognition and measurement criteria under Ind AS 115, the Management has evaluated the overall impact on its existing project contracts and has considered to apply output method for measuring the Group's progress under the respective project contracts, which depicts the Group's performance towards satisfaction of its performance obligations. Accordingly, necessary adjustments have been made for the year ended 31 March 2019, primarily on account of evaulation of the Group's performance obligations for existing project contracts.

Disclosures pursuant to Indian Accounting Standard (Ind AS) 11, Construction Contracts

Ind AS 115, Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Accordingly, the below disclosure as required by Ind AS 11 is presented only for comparative period.

Particulars	March 31, 2018
Contract revenue recognised during the year	22,118.62
Aggregate amount of cost incurred and recognised in Consolidated Statement of Profit and Loss	23,875.43
The net balance sheet position for ongoing construction contracts is as follows:	
Amount due from customers for contract work	10,186.54
Amount due to customer for construction contract	2,366.97
	7,819.57
The net position relates to	
Aggregate costs incurred and recognised profits (less recognised losses) to date	114,574.62
Less: Progress billing	106,755.05
	7,819.57
Retention outstanding for ongoing projects	**10,158.20**

44. Lease Transactions

The operating lease arrangements for Holding Company are cancellable subject to the stipulated notice period which generally does not exceed 12 months. Thus, management is of the view that there is no right to receive or obligation to pay the agreed lease rentals in case of termination. Thus, the disclosure of minimum lease rentals payable or receivable in case of Holding Company has not been provided.

Elecon Singapore Pte. Limited has leases office premises from a non-related party under a non-cancellable operating lease agreement. The lease has varying terms and renewal rights.

The future minimum lease payments under non-cancellable operating lease contracted for at the balance sheet date but not recognised as liabilities, is as follows:

Particulars	March 31, 2019	March 31, 2018
Not later than one year	17.14	7.32
Between one and five years	7.14	-
	24.28	**7.32**
Rental expenses paid during the financial year	17.48	17.14

The lease of the Company's office premises on which rental is payable will expire on 31 August 2020, and the current rate payable on the lease is INR 1.96 lakhs per month.

45. Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
1. Elecon Engineering Company Limited	96.06%	73,784.08	17.22%	1,207.29	43.81%	(359.78)	13.69%	847.51
Subsidiaries								
Foreign								
1. Elecon Transmission International Limited, Mauritius	9.46%	7,266.42	36.81%	2,580.60	(6.59%)	(462.36)	34.22%	2,118.24
2. Elecon Middle East FZE, Middle East	2.99%	2,297.06	0.4%	26.55	-	-	0.43%	26.55
3. Elecon Singapore Pte. Limited, Singapore	0.65%	496.99	0.43%	30.23	-	-	0.49%	30.23
Associates(Investment as per equity method)								
Indian								
1. Eimco Elecon (India) Limited	6.64%	5,096.93	5.50%	385.89	-0.12%	0.99	6.25%	386.88
Inter company elimination	(15.80%)	(12,135.04)	39.66%	2,780.36	-	-	44.92%	2,780.36
Total	**100.00%**	**76,806.44**	**100.00%**	**7,010.92**	**100.00%**	**(821.15)**	**100.00%**	**6,189.77**

Note:

The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) and Net assets of INR Nil for the year ended 31 March 2019 in respect of 3 associates.

(₹ in Lakhs)

46. Description of the Group

The Consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries, step-down subsidiaries and associates :

Name of the Company	Country of Incorporation	% of Holding either directly or indirectly through a subsidiary		Accounting Period
		March 31, 2019	March 31, 2018	
(a) Subsidiary Companies				
Elecon Transmission International Limited	Mauritius	100.00	100.00	April 1, 2018 to March 31, 2019
Elecon Singapore Pte. Limited	Singapore	100.00	100.00	April 1, 2018 to March 31, 2019
Elecon Middle East FZE	UAE	100.00	100.00	April 1, 2018 to March 31, 2019
(b) Step Down Subsidiary Companies				
Benzlers Systems AB	Sweden	100.00	100.00	April 1, 2018 to March 31, 2019
Radicon Transmission UK Limited	United Kingdom	100.00	100.00	April 1, 2018 to March 31, 2019
AB Benzlers	Sweden	100.00	100.00	April 1, 2018 to March 31, 2019
Radicon Drive Systems, Inc., USA	USA	100.00	100.00	April 1, 2018 to March 31, 2019
Benzler Transmission A.S.	Denmark	100.00	100.00	April 1, 2018 to March 31, 2019
Benzler Antriebstechnik G.m.b.h	Germany	100.00	100.00	April 1, 2018 to March 31, 2019
Benzler TBA B.V.	Netherlands	100.00	100.00	April 1, 2018 to March 31, 2019
OY Benzler AB	Finland	100.00	100.00	April 1, 2018 to March 31, 2019
Benzlers Italia s.r.l.	Italy	100.00	100.00	April 1, 2018 to March 31, 2019
(c) Associate Companies				
Elecon Engineering (Suzhou) Co. Limited	China	50.00	50.00	April 1, 2018 to March 31, 2019
Elecon Africa Pty. Limited	South Africa	50.00	50.00	April 1, 2018 to March 31, 2019
Elecon Australia Pty. Limited	Australia	50.00	50.00	April 1, 2018 to March 31, 2019
Eimco Elecon (India) Limited	India	16.62	16.62	April 1, 2018 to March 31, 2019

47. Equity accounted investees

Associates - Eimco Elecon (India) Limited

The Group holds 16.62% interest in Eimco Elecon (India) Limited, which is engaged in manufacturing of equipments for mining and construction sector. Eimco Elecon (India) Limited is a listed company in India. For Eimco Elecon (India) Limited the Group's share is less than 20% equity interest, however the group has determined that it has significant influence because it has representation on the board of the investee. The Group's interest in Eimco Elecon (India) Limited is accounted by using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Eimco Elecon (India) Limited.

Percentage ownership interest	March 31, 2019	March 31, 2018
Non-current assets	23,458.57	16,497.51
Current assets	11,841.86	17,301.39
Non-current liabilities	(1,134.03)	(1,001.74)
Current liabilities	(2,734.32)	(3,337.84)
Net assets	**31,432.08**	**29,459.32**

(₹ in Lakhs)

47. Equity accounted investees (Contd...)

Group's share of net assets (16.62%)	5,224.01	4,896.14
Less: Elimination of proportionate share in profit on sale of fixed assets by Holding Company (net of deferred tax)	(127.08)	(128.31)
Carrying amount of interest in associates	**5,096.93**	**4,767.83**

Particulars	**March 31, 2019**	**March 31, 2018**
Revenue	18,473.48	14,216.55
Profit after tax	2,317.21	1,627.07
Other comprehensive income	4.62	16.49
Total comprehensive income	2,321.83	1,643.56
Group's share of Profit (16.62%)	385.12	270.42
Group's share of OCI (16.62%)	0.77	2.74
Group's share of the total comprehensive income (16.62%)	**385.89**	**273.16**

The associate had the following contingent liabilities and capital commitments

Particulars	**March 31, 2019**	**March 31, 2018**
a. Guarantees issued by Banks	2,541.94	1,969.57
b. Income tax demands disputed	3.17	3.17
c. Sales tax demands disputed	154.97	154.97
d. Excise & Service tax demands disputed	1,965.45	1,945.26
e. Capital Commitments	92.08	100.47

48. The Consolidated financial statements are approved for issue by the Audit Committee and Board of Directors held on May 7, 2019.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Nirav Patel
Partner
Membership No: 113327

Place : Vallabh Vidyanagar
Date : May 7, 2019

For and on behalf of the Board of Directors
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal Ambani
Director
DIN : 02404841

Kamlesh Shah
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : May 7, 2019

Annexure-A

Salient features of the financial statements of subsdiaries as per Companies Act, 2013 - Part A

Part A: Subsidiaries

(Foreign Currencies in Lakhs)

Sr. No.	Name of the Subsidiary	Currency	Paid up Capital	Reserves & Surplus	Total Assets (including investments in subsidairy)	Total Liability	Investments (excluding investments in subsidairy)	Turnover	Profit/ (Loss) before tax	Provision for taxation	Profit/ (Loss) after tax	Proposed Dividend	% of Shareholding
1	Elecon Transmission International Limited	INR	16,183.30	(3,411.02)	12,692.01	236.96	-	4,318.77	3,501.66	-	3,501.66	-	100
		GBP	175.36	(37.70)	140.28	2.62	-	47.08	38.17	-	38.17	-	
2	Elecon Singapore Pte. Limited	INR	418.08	52.38	670.10	355.25	-	1,536.77	52.97	(1.76)	54.73	-	100
		SGD	6.43	0.76	9.69	5.14	-	21.99	0.76	(0.03)	0.78	-	
3	Elecon Middle East FZE	INR	106.38	2,183.66	3,087.12	790.06	-	1,255.90	26.55	-	26.55	-	100
		AED	6.00	115.54	163.34	41.80	-	65.89	1.39	-	1.39	-	
4	Benzlers Systems AB	INR	7.81	3,735.60	3,836.73	93.67	-	0.20	(2.54)	-	(2.54)	-	100
		SEK	1.00	500.96	514.52	12.56	-	0.03	(0.33)	-	(0.33)	-	
5	Radicon Transmission UK Limited	INR	11,522.92	1,641.99	25,715.93	12,776.90	-	11,413.70	963.53	140.23	823.30	-	100
		GBP	124.86	18.15	284.23	141.22	-	124.42	10.50	1.53	8.97	-	
6	AB Benzlers	INR	1,014.70	5,375.05	11,414.35	5,069.90	-	10,314.23	2,749.94	-	2,749.94	-	100
		SEK	130.00	720.82	1,530.71	679.89	-	1,321.82	352.42	-	352.42	-	
7	Radicon Drive Systems, Inc.	INR	517.92	(3,792.24)	3,677.17	6,918.62	-	4,795.67	(1,212.47)	-	(1,212.47)	-	100
		USD	7.96	(54.82)	53.16	100.02	-	68.62	(17.35)	-	(17.35)	-	
8	Benzler Transmission A.S.	INR	161.49	312.51	540.32	71.77	-	448.42	40.73	9.65	31.08	-	100
		DKK	15.00	30.04	51.94	6.90	-	41.34	3.75	0.89	2.87	-	
9	Benzler Antriebstechnik G.m.b.h	INR	82.44	600.68	744.73	64.59	-	1,278.48	97.79	29.91	67.88	-	100
		EURO	1.02	7.73	9.58	0.83	-	15.80	1.21	0.37	0.84	-	
10	Benzler TBA B.V.	INR	164.71	1,031.93	1,712.86	522.18	-	3,251.91	152.65	33.14	119.51	-	100
		EURO	2.04	13.28	22.04	6.72	-	40.18	1.89	0.41	1.48	-	
11	OY Benzler AB	INR	122.04	68.44	473.62	287.57	-	1,057.35	84.16	12.88	71.28	-	100
		EURO	1.51	0.88	6.10	3.70	-	13.07	1.04	0.16	0.88	-	
12	Benzlers Italia s.r.l.	INR	8.06	83.72	331.58	251.83	-	588.07	26.60	-	26.60	-	100
		EURO	0.10	1.08	4.27	3.24	-	7.27	0.33	-	0.33	-	

As on 31.03.19: 1 GBP = 90.48 INR, 1 USD = 69.17 INR, 1 EURO = 77.70 INR, 1 MYR = 16.94 INR, 1 DKK = 10.40 INR, 1 AED = 18.90 INR, 1 SEK = 7.47 INR

NOTICE

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of Members of Elecon Engineering Company Limited will be convened on Tuesday, the 17th day of September, 2019 at 10.00 a.m. at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on March 31, 2019.
3. To appoint a Director in place of Shri Pradip M. Patel (DIN : 00012138), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules framed thereunder and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard, approval of the Members of the Company be and is hereby accorded to the re-appointment of Dr. Sonal Ambani (DIN 02404841), as an Independent Woman Director of the Company, not liable to retire by rotation, for her second term of five consecutive years with effect from 14th August, 2020 on the Board of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to abovesaid resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors 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 March 31, 2020 be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

By Order of Board of Directors,

Registered office:
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : 26th July, 2019

Bharti Isarani
Company Secretary

NOTES:-

1. The explanatory statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.

   The instruments of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is being sent herewith. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.

3. All documents referred to in the Notice or in the accompanying statement are available for inspection by members on all working days, except Saturday, Sundays and public holidays, between 10.00 A.M. to 1.00 P.M. prior to the date of the Annual General Meeting and will also be available for inspection at the meeting.

4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten (10) days before the meeting so as to enable the management to keep the information ready.

5. Members are requested to send all their documents and communications pertaining to shares to the Registrar & Transfer (R & T) Agent of the Company – Link Intime India Pvt. Ltd., at their address at B-102/103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara –390 020, Telephone No. +91 265 2356573 /2356794, for both physical and demat segments of Equity Shares.

   Please quote on all such correspondence – "Unit – Elecon Engineering Company Limited." **For Shareholders queries – Telephone No.** +91 265 2356573, 2356794 **Email ID** vadodara@linkintime.co.in Website www.linkintime.co.in

6. The relevant information for Item Nos. 3 and 4 is annexed here to pursuant to the Regulations 36 of SEBI (LODR) Regulations, 2015.

7. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, September 11, 2019 to Tuesday, September 17, 2019 (both days inclusive).

8. Members are requested to bring their copy of Annual Report at the meeting. Spare copies will not be available.

9. Members who hold the shares in dematerialised form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.

10. Members who have not encashed their dividend warrants may approach the Company/R&T Agent for obtaining duplicate warrants.

11. The annual listing fees for the year 2019-20 have been paid to the Stock Exchanges where Company's shares are listed.

12. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the R&T Agent of the Company.

    In case the shares are held in dematerialized form, then information should be furnished directly to their respective Depository Participant (DP) only.

13. Any request by shareholders for change of bank particulars after dispatch of dividend warrant should be accompanied by copy of Client Master list showing the changed bank details.

14. The payment of dividend on equity shares as recommended by the Directors for the year ended March 31, 2019 when declared at the meeting will be paid:

    (i) to those members whose names appear in the Register of Members of the Company on Tuesday, September 17, 2019.

    (ii) in respect of shares held in electronics form, to those "deemed members" whose names appear on the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) at the end of business hours on Tuesday, September 10, 2019

15. The Company has a designated email ID for Redressal of Shareholders'/Investors' Complaints/Grievances. Hence, please write to us at investor.relations@elecon.com.

16. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 which have come into force from September 7, 2016, the Company has transferred, on due dates, the unclaimed final dividend for the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    Further in terms of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends had remained unpaid or unclaimed for a period of seven consecutive years or more, to the IEPF Suspense Account.

The details of the shareholders whose equity shares had been transferred to the IEPF Suspense Account and dividends which remain with the Company as unclaimed is available on the website of the Company at www.elecon.com. Shareholders may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

17. A route map showing direction to reach the venue of the Annual General Meeting is provided at the end of this Notice.

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

(i) The voting period begins on Saturday, September 14, 2019 at 9.00 a.m. and ends on Monday, September 16, 2019 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 Tuesday, September 10, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on the Address sticker which is affixed on Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the Depository or Company please enter the Member ID/Folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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.

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

(xi) Click on the EVSN for the Elecon Engineering Company Limited on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app - "CDSL m-Voting" available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF REMOTE E-VOTING PERIOD:

1. The e-voting period commences on Saturday, September 14, 2019 at 9.00 a.m. and ends on Monday, September 16, 2019 at 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 cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

2. The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company.

3. Mr. Dinesh Bhimani, Practising Secretary (Membership No. FCS: 8064; CP No; 6628) has been appointed as the Scrutinizer for the e-voting process.

4. Facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

5. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

6. Voting rights be reckoned on the paid up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Friday, July 19, 2019.

By Order of Board of Directors,

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

Bharti Isarani
Company Secretary

Date : 26th July, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2019

Item No. 4

The Members of the Company at the Annual General Meeting held on 14th August, 2015 had appointed Dr. Sonal V. Ambani (DIN 02404841), as an Independent Woman Director of the Company for the first term of five consecutive years to hold office upto 13th August, 2020 pursuant to the provisions of the Companies Act, 2013 (the Act) and Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the erstwhile Listing Agreement with the Stock Exchanges.

Presently, Dr. Sonal V. Ambani is a Member of the Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Company and the Chairperson of the Corporate Social Responsibility Committee of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 and further amendments thereto, an Independent Director shall hold office for a term upto five (5) consecutive years on the Board of the Company and shall be eligible for re-appointment on only by passing of a special resolution by the Company for second term upto five (5) consecutive years.

The Nomination and Remuneration Committee (NRC) has, in its meeting held on 26th July, 2019, recommended to the Board, the re-appointment of Dr. Sonal V. Ambani as Independent Woman Director for a further term of five (5) consecutive years from 14th August, 2020 to 13th August, 2025.

The Board at its meeting held on 26th July, 2019, based on the outcome of the performance evaluation exercise, skills, experience, knowledge and contributions made by Dr. Sonal V. Ambani during her tenure and on the recommendation of the Nomination and Remuneration Committee, have approved the re-appointment (not liable to retire by rotation) of Dr. Sonal V. Ambani as Independent Woman Director subject to approval of shareholder of the Company from 14th August, 2020 to 13th August, 2025 by way of passing of the Special Resolution. The Board of Directors states that the re-appointment of Dr. Sonal V. Ambani would be in the interest of the Company and its Shareholders.

Dr. Sonal V. Ambani is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI or any other authority and has consented to act as Independent Woman Director of the Company. The Company has also received declaration from Dr. Sonal V. Ambani that she meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations.

In the opinion of the Board, Dr. Sonal V. Ambani meets the criteria of independence as specified in the Act, the Rules framed thereunder and the Listing Regulations and they are independent of the Management.

Details of Dr. Sonal V. Ambani is provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

Copy of draft appointment letter setting out the terms and conditions of her re-appointment are available for inspection by the members at the Registered Office of the Company.

Save and except, Dr. Sonal V. Ambani and her relatives, to the extent of their shareholding interest, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board considers that her continued association as Independent Woman Director would be of immense benefit to the Company. Accordingly, the Board recommends the Special Resolution set out in Item No. 4 for approval of the members.

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 March 31, 2020 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees (₹)
1.	M/s. Y. S. Thakar & Co.	Engineering	75,000/- 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 members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested in the said resolution.

By Order of Board of Directors,

Registered office:
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : 26th July, 2019

Bharti Isarani
Company Secretary

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015

Name of Director	Shri Pradip Patel	Dr. Sonal V. Ambani
Date of Birth	05-11-1947	19-04-1959
Date of Appointment	14.11.1977	03-02-2015
DIN	00012138	02404841
Qualifications	M.B.A. (U.S.A.)	B.Sc. (Chemistry) M.B.A (U.S.A) Ph.D. (Business Management)
Brief Resume & Expertise in specific Functional areas	Shri Pradip Patel has more than three decades of experience in bearing industry. He served as Managing Director of ABC Bearings Limited from August 1, 1981 to August 31, 2018. His core area of strength relating to the business is strong leadership, strategy building and operational direction.	Dr. Sonal V. Ambani began her career in investment banking and was a Vice President with Morgan Stanley Dean Witter in New York. She holds a PhD in Business Management, and is the founder Chairperson of FICCI Ladies Organization (FLO) Ahmedabad. She is the Vice Chairman of the CII Indian Women Network (IWN) whose objective is women empowerment in India. She holds two patents granted in the US, "Systems and Method for Providing Financial Services to Children and Teenagers" and "Purchase Management System and Electronic Receipts." Dr. Ambani is also a member of the United Nations Development Fund for Women (UNIFEM), the founder of the Cancer Screening and Research Trust (CSRT), and founder of World Peace 2040, a movement that has received significant support, with Mohammed Yunnus on the Advisory Board and received a Pfeffer Peace Prize in New York for the same. In addition to this, she is the curator and founder of Samara Art Gallery promoting young artists and is a sculptor herself having created works in a variety of materials.
Other Listed Companies in which Directorship held as on March 31, 2019	- Eimco Elecon (India) Limited	- Acrysil Limited
Chairman/Membership of Audit Committee and Stakeholders' Relationship Committees in other Listed Companies as on March 31, 2019	**Eimco Elecon (India) Limited** - Stakeholders' Relationship Committee – Member - Audit Committee – Member	**Acrysil Limited** - Audit Committee – Member - Stakeholders' Relationship Committee – Member
No. of Shares held	43,161	NIL
Relationship with any Director of the Company	Sister's husband of Shri Prayasvin Patel, Chairman & Managing Director	Not Applicable

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ELECON ENGINEERING COMPANY LIMITED

CIN : L29100GJ1960PLC001082

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120.
Tal. & Dist. Anand, Gujarat.
Tel No. (02692) 227109, 230166
Fax No. (02692) 227484, 227020
Website : www.elecon.com

Dear Shareholder,

RE : Electronic Credit of Dividend

The Reserve Bank of India has introduced National Electronic Clearing Service (NECS) in banking system to bring in further efficiency and uniformity in electronic credit. NECS has wider coverage than ECS and has no limitations of location in India. NECS ensures quick credit and no rejections. NECS is operational for banks / bank branches leveraging on Core Banking System (CBS), which provide more than ten digit bank account number to its customers.

As per our records, there is no mandate registered either with us or with your DP. To take advantage of the NECS facility and to enable us to route all your future dividend payments electronically, please return the NECS mandate form, given overleaf.

ADVANTAGES OF REGISTERING NECS MANDATE

- No limitations of location in India.
- Quick remittance of dividend.
- Avoid loss of dividend warrants in Postal transit.
- Avoid fraudulent encashment of dividend.
- Avoid revalidation of unencashed dividend warrants.
- Avoid transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF).

PLEASE HURRY UP & FILL IN THE FORM OVERLEAF AND ENSURE ELECTRONIC CREDIT.

Kindly return the completed mandate form given overleaf.

Best Regards,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary

NOTE : For shares held in physical form, please submit this form to our Registrars and Share Transfer Agents viz., M/s. Link Intime India Pvt. Ltd. at the address mentioned overleaf and for shares held in demat form, please submit the form to your Depository Participant (DP).

NECS MANDATE FORM

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO :

The following address if shares are held in physical form	OR	To your DP if shares are held in demat form

To,

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

1. Name of 1st Registered holder (in Block Letters) : .....

2. Folio No. / DPID & Client ID No. : .....

3. Name of the Bank : .....

4. Name of the Branch : .....

5. Account Number (As appearing on your Cheque Book) : .....

6. Account Type (Saving Bank A/c. Current A/c. or Cash Credit) with code :

S.B.	**Current**	**Cash Credit**

7. 9-Digit MICR Code Number of the Bank : & Branch appearing on the MICR cheque issued by the Bank.

(Please attach a photocopy of a cheque or cancelled cheque for verifying the accuracy of the MICR code Number)

8. *11-Digit IFSC Code :

(Optional - Can be obtained from your banker)

Signature of the First Registered Shareholder
(As per the specimen signature with the Company / DP)

Name : _____

Address : _____

_____

Phone No. : _____

Email Id : _____

Date : _____

* The Company, its Registrars and Bankers will make best endeavors to remit dividend through NECS. However, for non CBS branches of the banks, the IFSC Code will be utilized to remit the dividend either by National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). The branch where you operate your bank account will assist you to provide the IFSC, a 11-digit code to enable the remittance through NEFT or RTGS.

Name of the Company : **ELECON ENGINEERING COMPANY LIMITED**
CIN : L29100GJ1960PLC001082
Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Anand, Gujarat.

Folio No/Client ID & DP ID

ATTENDANCE SLIP

59th Annual General Meeting
on Tuesday, September 17, 2019 at
10.00 a.m. at Audio Visual Hall,
Eimco Elecon Building,
Anand-Sojitra Road,
Vallabh Vidyanagar - 388120.
Gujarat.

* 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
59th Annual General Meeting

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

Signature of Member/Proxy

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 : L29100GJ1960PLC001082
Name of the Company : **ELECON ENGINEERING COMPANY LIMITED**
Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Anand, Gujarat.

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

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

1. Name :
   Address :
   Email ID : Signature :..... or failing him

2. Name :
   Address :
   Email ID : Signature :..... or failing him

3. Name :
   Address :
   Email ID : Signature :..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 59th Annual General Meeting of the Company, to be held on Tuesday, September 17, 2019 at 10:00 a.m. at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended on March 31, 2019 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. Declaration of Dividend for the financial year ended on March 31, 2019.
3. Appointment of a Director in place of Shri Pradip M. Patel who retires by rotation and being eligible, offers himself.
4. Re-appointment of Dr. Sonal Ambani as an Independent Woman Director for the second term of five years w.e.f. 14th August, 2020.
5. To ratify remuneration of M/s. Y. S. Thakar & Co. as Cost Accountants of the Company for financial year 2019-20.

Signed this _____ day of _____ 2019

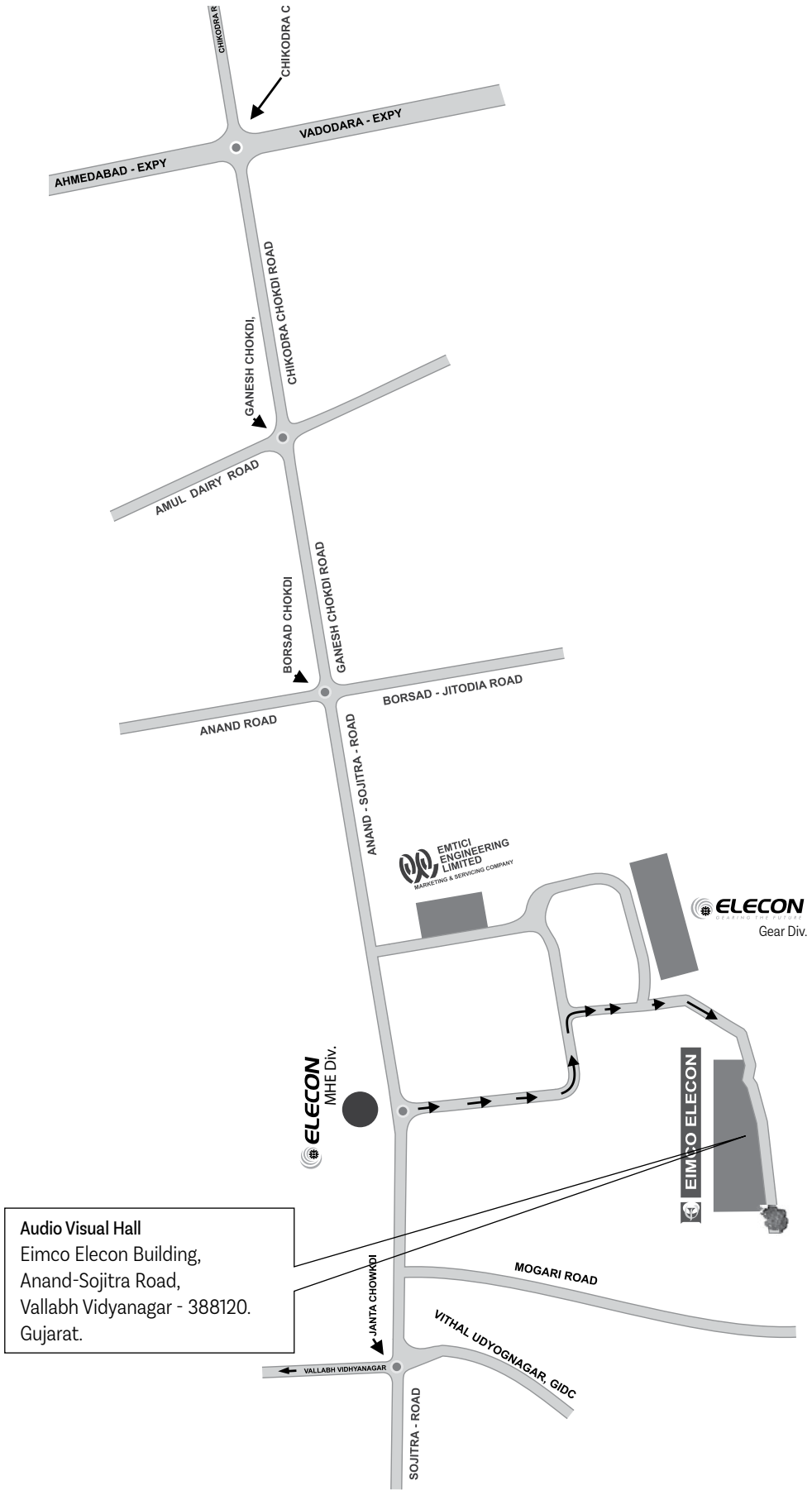
Signature of shareholder(s) : _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp

Notes :
1. This form of proxy in order to be effective should be duly completed and deposited a the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 59th Annual General Meeting.

Route map to the venue of the AGM



ELECON ENGINEERING COMPANY LIMITED

CIN : L29100GJ1960PLC001082

Anand-Sojitra Road, Vallabh Vidyanagar – 388 120 Tal. & Dist. Anand, Gujarat.
Tel No. (02692) 227109, 230166, Fax No. (02692) 227020, Website : www.elecon.com

Dear Shareholder,

Sub: Green Initiative

Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. MCA has issued circular nos. 17/2011 dt. 21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice / document by a Company to its shareholders can now be made through electronic mode. In view of the above, your Company proposes to henceforth send Annual Report (Audited Financial Statements, Boards' Report, Auditors' Report, etc.,) and all communications/documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.

In order to join the initiative and to receive the documents in electronic form, kindly comply with the following:

For Shareholders holding shares in Demat Form

In case you desire to receive the aforesaid documents in electronic mode, kindly update your e-mail ID in the Demat account by contacting your Depository Participant. E-mail updated in the demat account would be used to send documents through electronic mode. If you have already registered your e-mail ID earlier, please ignore this request.

TO BE SENT DIRECTLY TO DEPOSITORY PARTICIPANT
(i.e. Address where you have opened your Demat Account)

DP ID / Client ID : Name :

E-mail ID : Signature :_____ PAN :

For Shareholders holding shares in Physical form

In case you desire to receive the aforesaid documents in electronic mode in lieu of Physical mode, kindly update your e-mail ID with our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited by mailing your E-mail ID with the following details to vadodara@linkintime.co.in.

TO BE SENT TO US BY USING BUSINESS REPLY ENVELOPE AS PRINTED ON REVERSE

Folio No. : Name :

E-mail ID : Signature :_____ PAN :

For registering your e-mail address with us, you are requested to forward us this page duly filed up along with self attested copy of your PAN Card in attached pre-paid Business Reply Envelope. You are not required to affix/pay any postage expense for dispatch of the said envelope to us.

Members who have not yet dematerialized their shares are requested to get their shares dematerialized at the earliest.

You may also send your consent in writing to our Registrar and Share Transfer Agents to the following address:

M/s. Link Intime India Private Ltd.,
Unit: **Elecon Engineering Company Ltd.,**
B- 102 and 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara 390 020.

We at 'Elecon' appreciate the "Green Initiative" taken by MCA and trust you would help implementing the e-governance initiatives of the Government.

Thanking you,

Yours faithfully,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary

BUSINESS REPLY ENVELOPE

POSTAGE WILL BE PAID BY ADDRESSEE

BR-PERMIT NO. L2/And./BRP-7
V.V.NAGAR. P.O.

No Postage necessary if posted in India

To,
Company Secretary
Elecon Engineering Company Ltd.
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

FOLD



ELECON ENGINEERING COMPANY LIMITED
Anand - Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, INDIA.
Tel: +91 2692 238 701/702/703/704 Fax: +91 2692 227 020.
Website: www.elecon.com | CIN L29100GJ1960PLC001082

Akaaish Printing & Stationery | Design Studio | Ph. 02692 231168