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ANNUAL REPORT 2011-12

STEP UP

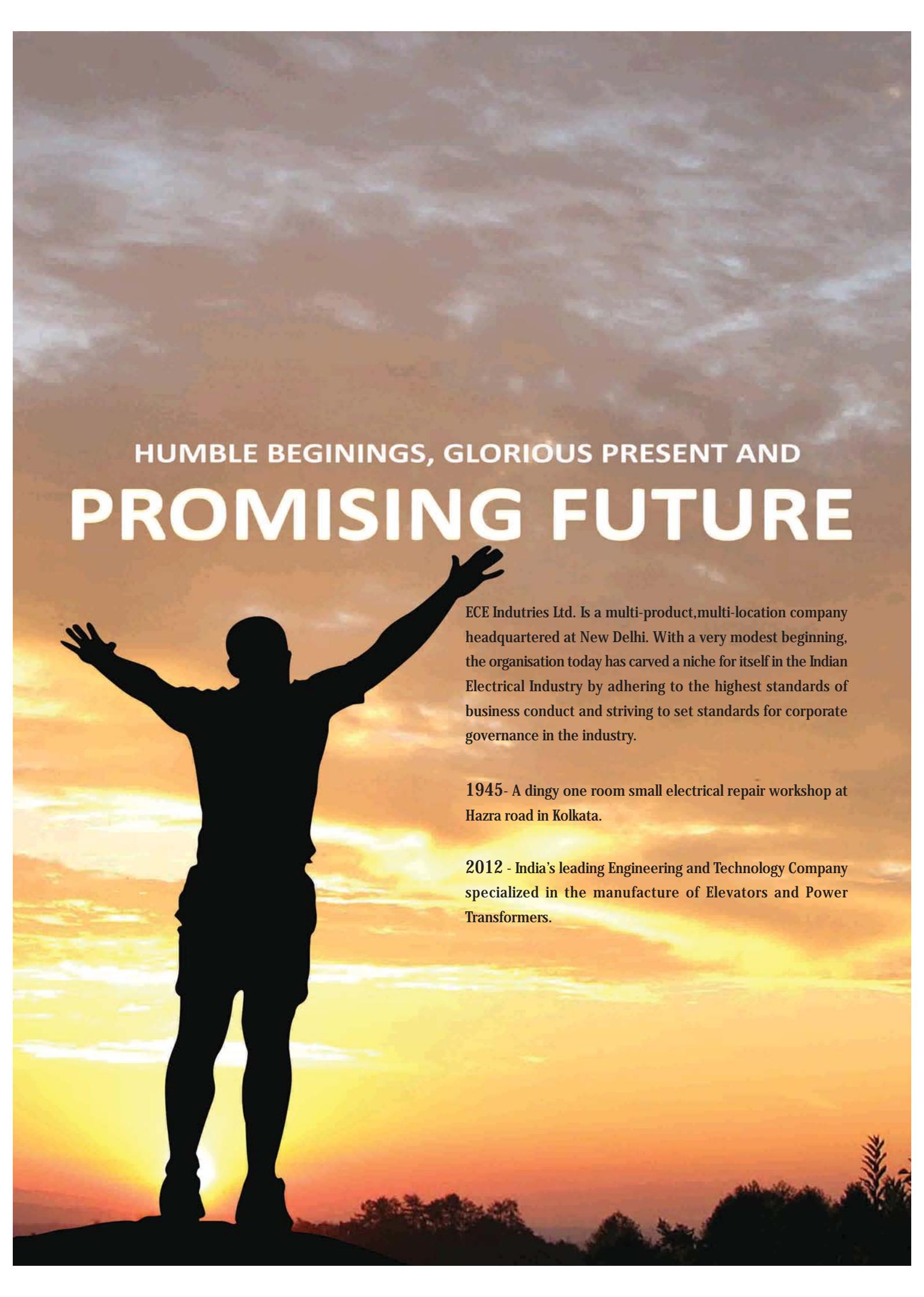


TRANSFORM

ELEVATE



ECE INDUSTRIES LIMITED

A silhouette of a person standing on a hill with their arms raised in a gesture of triumph or achievement, set against a dramatic sunset sky with orange and yellow hues. The person is positioned on the left side of the frame, facing right.

HUMBLE BEGININGS, GLORIOUS PRESENT AND PROMISING FUTURE

ECE Industries Ltd. Is a multi-product, multi-location company headquartered at New Delhi. With a very modest beginning, the organisation today has carved a niche for itself in the Indian Electrical Industry by adhering to the highest standards of business conduct and striving to set standards for corporate governance in the industry.

1945- A dingy one room small electrical repair workshop at Hazra road in Kolkata.

2012 - India's leading Engineering and Technology Company specialized in the manufacture of Elevators and Power Transformers.



DIRECTORS

Shri Prakash Kumar Mohta - CMD	Shri Om Prakash Khaitan
Shri Vikram Prakash	Shri Mahendra Kumar Jajoo
Shri Sakate Khaitan	

EXECUTIVES

Shri R. Prasad	President – Corporate Affairs, Finance & Legal
Shri A.V. Ramachandran	President – (Transformer Division)
Shri Rajat Sharma	Vice President – Corporate Finance & Taxation
Shri P.C. Agarwal	Vice President – Commercial & Admn. (Elevator Division)
Shri Deepak Kaul	Vice President – Marketing (Elevator Division)
Shri N.S. Kothari	Vice President – Commercial (Transformer-Sonepat)
Shri H.M. Mot	General Manager – Commercial (Transformer-Hyderabad)
Shri Piyush Agarwal	Company Secretary

REGISTERED OFFICE

“ECE HOUSE”
28-A, Kasturba Gandhi Marg
New Delhi - 110001

REGISTRAR

MAS Services Limited.
T-34, II Floor, Okhla Industrial Area
Phase-II, New Delhi - 110020

BANKERS

Bank of Baroda
State Bank of India
Canara Bank
Central Bank of India

AUDITORS

Singhi & Co.
Chartered Accountants
401-408, Pragati House
47-48, Nehru Place
New Delhi - 110019

PLANTS & PRODUCTS

SONEPAT	Transformers
GHAZIABAD	Elevators & Other Components
HYDERABAD	Transformers

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NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Sixty Sixth Annual General Meeting of the members of ECE Industries Limited will be held at LTG Auditorium, Copernicus Marg, Near Mandi House, New Delhi - 110001 on Tuesday, the 25th day of September, 2012 at 12.00 Noon to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss of the Company for the year ended 31st March, 2012 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2012.
3. To appoint Director in place of Sh. Mahendra Kumar Jajoo who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

By Order of the Board

Place : New Delhi
Dated : 9th August, 2012

(Piyush Agarwal)
Company Secretary

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NOTES FOR MEMBERS' ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2012 to 25.09.2012 both days inclusive for the purpose of payment of dividend.
3. The Dividend, as recommended by the Board, if sanctioned at the meeting will be paid to those members or their mandates whose names stand registered on the company's register of members :-
 - (a) as beneficial owners as on 21.09.2012 as per the list to be furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form, and
 - (b) as members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company or the Share Transfer Agents up to 21.09.2012.
4. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the Bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for Electronic Clearing Service (ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
5. (a) Pursuant to Section 205A of the Companies Act, 1956 unclaimed dividend for the year 2003-2004 has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their un-encashed Dividend with regard to the said dividend.

- (b) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:-

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2005	04.08.2005	03.08.2012	01.09.2012
31.03.2006	27.07.2006	26.07.2013	24.08.2013
31.03.2007	28.05.2007	27.05.2014	25.06.2014
31.03.2008	27.08.2008	26.08.2015	24.09.2015
31.03.2009	09.09.2009	08.09.2016	07.10.2016
31.03.2010	30.09.2010	29.09.2017	28.10.2017
31.03.2011	22.09.2011	21.09.2018	20.09.2018

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company at its Registered Office. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

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6. Members or every person purchasing the shares of the Company in Physical form are requested to furnish immediately a copy of Permanent Account Number (PAN) in compliance of SEBI Circular no MRD/DoP/Cir-05/2009 dated 20th May 2009 and all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc.
 - (a) to their Depository Participant (DP) in respect of equity shares held in electronic form (Demat Account), and
 - (b) to the RTA/ Company at its registered office, in respect of equity shares held in physical form.
7. Besides above, the Securities and Exchange Board of India (SEBI) has vide its Circular Ref. No. MRD/DoP/SE/RTA/Cir 03/2010 dated January 07, 2010 clarified that it shall be mandatory to furnish a copy of PAN in the following cases:-
 - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
8. Members are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the meeting.
9. Members who hold shares in dematerialised form are requested to bring their Depository Participant Account Number (Client ID No.) for easier identification at the Annual General Meeting.

10. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Director(s) recommended for re-appointment at the Annual General Meeting is given here-in-below:

- (a) Name of Director : **Sh. Mahendra Kumar Jajoo**
 Date of Birth : 15.11.1952
 Date of appointment : 24.01.2009
 Qualification/ Profession : Chartered Accountant / Industrialist
- List of Public Limited Companies (in India) in which outside Directorship held :
1. Emkay Infotech Limited
 2. Emkay Automobile Industries Limited
 3. KFL Finance & Securities Limited
 4. Jajoo Power Limited
 5. Emkay Auto Limited
- Chairman / Member of the Committee of the Board of Directors of the Company. :
1. Member – Remuneration Committee
 2. Member – Shareholder Grievances Committee.
- Chairman / Member of the Committee of the Board of Directors of other Public Limited Companies :
1. Emkay Automobile Industries Limited
Member – Audit Committee
 2. KFL Finance & Securities Limited
Member – Audit Committee

By Order of the Board

Place : New Delhi
 Dated : 9th August, 2012

(Piyush Agarwal)
 Company Secretary

IMPORTANT COMMUNICATION

'Green Initiative'

The Ministry of Corporate Affairs, Government of India has taken a 'Green Initiative in Corporate Governance' by allowing paperless Compliances through Electronic mode. In accordance with the Circulars bearing no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their shareholders through Electronic mode, to the registered e-mail addresses of the shareholders.

We therefore, request you to inform your e-mail address to your Depository Participant or register your e-mail ID with our Registrar and Share Transfer Agents viz. "M/s Mas Services Limited" at their website www.masserv.com. You are not required to re-register unless there is change in your e-mail address.

In case you have a Demat account then you are requested to intimate to the Depository Participant (DP) any changes in your registered addresses, e-mail ID and / or changes in your bank account details / MICR code.

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the Sixty Sixth Annual Report with Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	31.03.2012 (Rs. In Lacs)	31.03.2011 (Rs. In Lacs)
Turnover	20,816.57	20,176.66
including other operating income		
Profit / (Loss) before Depreciation, Exceptional Items & Tax	852.59	(247.33)
Gain / (Loss) from Exceptional items	(267.42)	631.10
	585.17	383.77
Less : Depreciation	207.36	128.83
Profit before Tax	377.81	254.94
Provision for :		
(i) Current Income Tax	90.00	45.60
(ii) Deferred Tax Charge / (Credit)	7.48	0.27
97.48	97.48	45.87
Profit after Tax	280.33	209.07
Add : Balance Brought Forward	4,156.95	3,998.38
Profit available for Appropriation	4,437.28	4,207.45
Appropriations as under :		
1. Proposed Dividend	39.38	21.94
2. Provision for Dividend Tax	6.39	3.56
3. Transfer to General Reserve	25.00	25.00
4. Balance in Statement of Profit & Loss carried forward	4,366.51	4,156.95
	4,437.28	4,207.45

REVIEW OF PERFORMANCE

The sales turnover for the current year is Rs. 208.17 Crores against Rs. 201.77 Crores in the previous year. The total gross profit for the year ended 31st March, 2012 comes to Rs. 585.17 lacs (Previous Year Rs. 383.77 lacs). After providing Rs. 207.35 lacs (Previous year Rs. 128.83 lacs) for depreciation and Rs. 97.48 lacs as provision for taxation (Previous Year Rs. 45.87 lacs), there remains a surplus of Rs. 280.34 lacs (Previous year Rs. 209.07 lacs).

DIVIDEND

We recommend payment of Dividend for the year 2011-2012 @ Rs. 0.50 per share (5%) for the year, which will be paid after obtaining your approval in the Annual General Meeting.

BUY-BACK

During the financial year 2011-12, the Company successfully completed its buy-back offer for 8,75,000 equity shares from open market through stock exchange mechanism through Board approval.

Further, the second buy-back offer through Members' approval is kept open since 18th April, 2012 for purchasing the maximum of 6,90,000 equity shares from open market through stock exchange mechanism.

AUDITOR'S REPORT

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

AUDITORS

M/s. Singhi and Co., Chartered Accountants, retire as Statutory Auditors of the Company at the conclusion of the Sixty Sixth Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends the appointment of M/s Singhi & Co., Chartered Accountants as the Statutory Auditors for the financial year 2012-13.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audits relating to Products manufactured by the Company.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreements with Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report are annexed and form part of the Directors Report.

LISTING AGREEMENTS

The Company's equity shares continue to be listed on the Bombay Stock Exchange and National Stock Exchange. The Annual Listing fees for the year 2011-2012 have been paid in full to Bombay Stock Exchange as well as to National Stock Exchange.

DIRECTORS

Shri Mahendra Kumar Jajoo, Director of the Company is retiring by rotation and being eligible offer himself for re-appointment.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A and 205C of the Companies Act, 1956, during the Financial Year 2011-2012 the Company has deposited Rs. 97,921/- (Rupees Ninety seven thousand nine hundred twenty one only) in the "Investor Education & Protection Fund" established by the Central Government towards unclaimed/unpaid dividend for the financial year 2003-2004.

FIXED DEPOSITS

Your Company has not accepted fixed deposits from public and/or employees and, as such, no amount of Principal or interest was outstanding as on the balance sheet date.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of The Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA), the Board of Directors of your company state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;
- iii) that 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 ;
- iv) that the directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, required under Section 217 (1)(e) of the Companies Act, 1956 forms part of this report and same is enclosed as Annexure 'A'.

ACKNOWLEDGEMENTS

Your Directors place on record their thanks for the dedicated services rendered by all the employees of the company in its factories and offices and also acknowledge the co-operation, assistance and support extended by the Company's bankers and stakeholders.

For and on Behalf of the Board of Directors

Place : New Delhi

(P.K. Mohta)

(Vikram Prakash)

Dated : 9th August, 2012

Chairman & Managing Director

Director

Annexure 'A' to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2012.

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A. Conservation of Energy

The Company is continuously engaged in the process of energy conservation through improved operational and manufacturing practices in its Transformer Division.

In Elevator, more efforts are being made to reduce installation time and space by introducing gearless technology which is advanced as well as energy efficient.

B. Technology Absorption

Efforts made in technology absorption as per Form-B are furnished below.

(Form for disclosure of particulars with respect of Technology Absorption)

1. Research and Development (R&D)

Continuous efforts are being made to improve designs and software in Transformer manufacturing for better and cost effective output and quality.

In Elevator, the Company is moving towards introduction of State of the art 'Close Loop VVF Doors' with upgraded technology.

2. Technology Absorption, Adapatation & Renovation

The Company in its Transformer factory has put additional Capacitor bank and installed near to heavy load machines to reduce power consumption.

In Elevator, we are on course of changing conventional wiring system by replacing them with plug-in type harness to reduce installation cycle time.

C. Foreign Exchange Earnings & Outgo

The information on Foreign Exchange earnings & outgo contained in Note No. 26.10(b) of 'Other Notes on Accounts'.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Main segments of company's activities relate to manufacture and sale of Equipments for Power & Distribution Transformers and Elevators.

OPPORTUNITIES & THREATS

The transformer industry is continues passing through a difficult period due to increasing costs and cut-throat competition resulting in lower realization.

SEGMENTWISE PERFORMANCE

The key business segment of the company "Equipments for Power Transmission and Distribution" accounted for 79.43% of the gross turnover in 2011-2012. The other segments accounted for 20.57% of gross turnover.

A. Business Segment – Equipment for Power Transmission and Distribution (Rs. In lacs)

Particulars	2011-12	2010-11	% Change Positive/(Negative)
Gross Turnover	16,533.96	16,911.80	(2.23)
Operating Profit/(Loss) (after depreciation and before interest)	55.59	(389.26)	114.28

B. Business Segment – Elevators (Rs. In lacs)

Particulars	2011-12	2010-11	% Change Positive/(Negative)
Gross Turnover	4,282.61	3,209.95	33.42
Operating Profit/(Loss) (after depreciation and before interest)	430.47	214.30	100.87

OUTLOOK

Elevator division continues to do better both in turnover and profitability and expect the same for the coming years.

In-spite of several efforts of restructuring of the transformer business and aggressive improvement in operational efficiencies, the segment has not shown the expected results though came out of losses.

RISKS AND CONCERNS

1. Fixed Assets of the Company i.e. Buildings, Plant and Machinery, Office equipments, Furniture & Fixtures and Vehicles are insured with a view to minimize the risk in case of fire and loss of profit.
2. Current Assets of the company i.e. Raw Materials, Work-in-Progress, Stores & Spares and Finished Goods are insured to minimize the risk.
3. The Company has taken cash/ cash in transit insurance cover to safeguard itself from any theft/ burglary.
4. The Company has also kept its activities reasonably diversified in terms of products and locations with a view to minimize the risk.
5. The Company is having in-house Research & Development abilities to cater the needs of technological changes in the market and to upgrade its products.
6. To plug the operational hazards, the Company has vast base of suppliers to procure continuous supplies of raw material from its local and foreign suppliers.

7. The Company hedges its risk of fluctuation in foreign currency while taking loan from banks.
8. Keeping in view the size and infrastructure of the company, it is felt that the existing arrangement of Risk Management is reasonably sufficient.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

ECE has an internal control system that is geared towards achieving efficiency in operations, optimum utilization of resources, effecting monitoring and compliance with all applicable laws and regulations. A programme of internal audit by an Independent firm of Chartered Accountants is reviewed by Management and documented policies, guidelines and procedures, supplements the internal control systems that are designed to ensure reliability of financial and all other records to prepare financial statements and other data and to maintain accountability of assets.

FINANCIAL REVIEW AND ANALYSIS

(Rs. in Lacs)

Highlights	2011-2012	2010-2011
Turnover (Net of Excise Duty) including other operating income	19050.63	18529.17
Profit / (Loss) before Depreciation, Exceptional Items and Tax	852.59	(247.33)
Gain / (Loss) from Exceptional Items	(267.42)	631.10
Depreciation	207.36	128.83
Profit before Tax	377.81	254.94
Tax Expense	97.48	45.87
Net Profit	280.33	209.07
Proposed Dividend (incl. Dividend tax)	45.77	25.50

OTHER INCOME

Other Income mainly consists of Interest, Dividend, Royalty, Rent & Licence fee and Liabilities / Provisions written back etc.

HUMAN RESOURCES DEVELOPMENT

ECE recognizes the need of training & development on regular basis. Continuous learning by individuals is necessary for the organization. It provides opportunity, appropriate working environment and scope to develop the younger talent.

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 9th August, 2012

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

CORPORATE GOVERNANCE REPORT

I COMPLIANCE OF MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At ECE Industries Limited, Corporate Governance is the integral part of Company's Values, Ethics, Business practices and Norms. Towards this, the Company constantly evaluates and defines its Management practices aimed at enhancing its commitments and delivery of the basic tenets of the Corporate Governance.

2. BOARD OF DIRECTORS

Composition:

The Board of Directors consists of five members, out of which four are Non-Executive Directors.

Attendance record of Directors:

During the year 2011-2012, Seven Board Meetings were held on 27.05.2011, 05.07.2011, 11.08.2011, 12.11.2011, 09.02.2012, 13.02.2012 and 28.03.2012:

Directors	Category	No. of Board meetings attended	Attendance at the last AGM	No. of outside Directorships held	(Chairman)/ Member of Board Committee	Share Holding As on 31.03.12 (No. of shares)
Sh. P. K. Mohta	Chairman & Managing Director	3	Yes	3	(Nil) 1	592016
Sh. O.P. Khaitan	*Non Executive	7	Yes	7	(6) 10	100
Sh. Vikram Prakash	*Non Executive	6	Yes	5	(4) 2	200
Sh. Sakate Khaitan	Non Executive	1	No	Nil	Nil	200
Sh. M.K. Jajoo	*Non Executive	3	No	5	(Nil) 4	200

*also Independent in terms of the provisions of Clause 49(1)(A)(iii).

3. AUDIT COMMITTEE

Currently, the Audit Committee of the company consists three members, out of which two third are non-executive and independent directors.

Members of the Committee:

1. Shri Vikram Prakash – Chairman
2. Shri P.K. Mohta – Member
3. Shri O.P. Khaitan – Member

Meetings of the Audit Committee were held on 27.05.2011, 11.08.2011, 12.11.2011 and 09.02.2012. Shri Vikram Prakash, Chairman and Sh. O.P. Khaitan, member of the Committee attended four meetings. Sh. P.K. Mohta, member attended two meetings. Besides the Committee members, Sh. R. Prasad, President (Corporate Affairs, Finance & Legal), Sh. Rajat Sharma, Vice President (Corporate Finance & Taxation) and Company Secretary also attended the meetings from time to time.

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement with the Stock Exchanges beside other terms, as may be referred by the Board of Directors.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee consists of the following members:

1. Shri Vikram Prakash, Director
2. Shri O.P. Khaitan, Director
3. Shri M.K. Jajoo, Director
4. Shri R. Prasad, President (Corporate Affairs, Finance & Legal)
5. Shri Rajat Sharma, Vice President (Corporate Finance & Taxation)

The committee looks into the redressal of shareholders and investor's complaints regarding:

- Transfer of Shares
- Non receipt of Balance Sheet
- Non receipt of declared dividend
- Any other matter concerning Investor/Shareholder grievances.

The Committee reviews the status of complaints received from shareholders/investors. A status report of shareholders complaints is prepared and placed before the Shareholders/Investors Grievance Committee.

There were no major issues/complaints from the shareholders and no complaint was pending at the end of the financial year. During the year, four meetings of the committee were held on 27.05.2011, 11.08.2011, 12.11.2011 and 09.02.2012 and the same were attended by Shri Vikram Prakash, Shri O.P. Khaitan, Shri R. Prasad and Shri Rajat Sharma.

5. REMUNERATION OF DIRECTORS

Non-executive Directors do not draw any remuneration from the Company though Directors are entitled to receive Directors' Commission pursuant to Section 309 of the Companies Act, 1956 and Sitting Fees for attending the meetings of the Board, Audit Committee, Shareholders/Investor Grievances Committee and Remuneration Committee thereof.

Each Director was paid sitting fee for attending Board Meeting and Audit Committee Meeting @ Rs. 5,000/- per meeting. The Sitting fee to Director for attending the meeting of Shareholder's Grievance Committee and Remuneration Committee is Rs. 2,000/- per meeting. The details of Directors' Commission and sitting fee paid during the financial year 2011-2012 to the Directors of the Company are given below :-

S. No.	Name of Directors	Sitting Fee (Rs.)				Director's Remuneration /Commission (in Rs.)	Total (in Rs.)
		Board Meeting	Audit Committee Meeting	Investor's Grievance Committee Meeting	Remuneration Committee Meeting		
1	Shri P.K. Mohta	-	-	-	-	6,170,000*	6,170,000
2	Shri O.P. Khaitan	35,000	20,000	8,000	2,000	-	65,000
3	Shri Vikram Prakash	30,000	20,000	8,000	2,000	-	60,000
4	Shri Sakate Khaitan	5,000	-	-	-	-	5,000
5	Shri M.K. Jajoo	15,000	-	-	2,000	-	17,000

Besides dividend on Equity shares held by the Directors, a payment of Rs. 2,50,000/- (Rupees Two lacs fifty thousand only) was made to Shri O.P. Khaitan of M/s O.P. Khaitan & Co., Solicitors and Advocates towards Professional charges for advising and drafting on various legal matters of the Company.

*The remuneration paid to Shri P.K. Mohta includes the payment of salary and other perquisites etc. in accordance with the resolution passed by the shareholders in the Annual General Meeting held on 22.09.2011 which was further approved by the Central Government vide letter dated 27.02.2012.

6. GENERAL BODY MEETINGS

The details of the General Meetings held in last 3 years are as under:

Year	AGM/EOGM	Location	Date	Time
2011-12	AGM	Hindi Bhawan, 11, Vishnu Digamber Marg, New Delhi	22.09.2011	03.30 PM
2010-11	EOGM	Hindi Bhawan, 11, Vishnu Digamber Marg, New Delhi	28.03.2011	04.00 PM
2010-11	AGM	NCUI Convention Centre, 3, Khelgaon Marg New Delhi	30.09.2010	03.30 PM
2009-10	AGM	Hindi Bhawan, 11, Vishnu Digamber Marg, New Delhi	09.09.2009	11.00 AM

During the year, one resolution was passed through postal ballot on 28.03.2012 as a special resolution for the purpose of getting the approval of shareholders for purchasing its own fully paid-up equity shares by the Company.

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

In the previous AGM held on 22.09.2011, a resolution for approving the remuneration of Shri P.K. Mohta, Managing Director of the Company was passed by the shareholders as a Special Resolution.

7. DISCLOSURES:

i) Related Party transactions

Transactions with the related parties are disclosed in Note No. 26.7 of 'Other Notes on Accounts'. The transaction does not have any conflict with the interest of the company at large.

ii) Compliance by the Company

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on matters relating to capital markets during the last three years.

Further, as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

8. MEANS OF COMMUNICATION

Apart from providing a detailed Annual Report on the working of the Company, consisting of Directors' Report, Management Discussion & Analysis Report and Annual Accounts, the Company regularly brings out its quarterly results for the information of its shareholders through publication thereof in Business Standard (English & Hindi) newspapers and also places on its website.

Company is having its website www.eceindustriesltd.com which gets reviewed and upgraded from time to time.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report forms part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and its management, internal control systems and adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said report.

SHAREHOLDER'S INFORMATION

1. ANNUAL GENERAL MEETING

Date and time	:	25th September, 2012, 12.00 Noon
Venue	:	LTG Auditorium, Copernicus Marg, Near Mandi House, New Delhi - 110001

2. FINANCIAL CALENDAR

Financial Reporting

For the quarter ending June 30, 2012 : By 14th August, 2012
 For the quarter ending Sept., 30, 2012 : By 14th November, 2012
 For the quarter ending Dec. 31, 2012 : By 14th February, 2013
 For the year ending March 31, 2013 : By 15th May, 2013

Annual General Meeting for the Year
 Ending 31st March, 2013

: By the end of September, 2013.

3. DATE OF BOOK CLOSURE

: From 22nd September, 2012

: To 25th September, 2012

4. DIVIDEND PAYMENT DATE

: 20th October, 2012

5. LISTING ON STOCK EXCHANGE

: At present the Equity shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Annual Listing fee for the year 2011-12 have been paid to the both Stock Exchanges.

ADDRESS OF STOCK EXCHANGES

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001.
2. National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

6. STOCK CODE

(a) Trading symbol at :

Bombay Stock Exchange, Mumbai : 532491

National Stock Exchange, Mumbai : ECEIND

(b) Demat ISIN Number in NSDL & CDSL : INE588B01014

7. STOCK MARKET DATA

The details of Monthly High/Low price and number of shares traded on Bombay Stock Exchange and National Stock Exchange, Mumbai are given below:

Month	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	Monthly High Price (Rs./Share)	Monthly Low Price (Rs./Share)	Average Volume (No. of Shares)	Monthly High Price (Rs./Share)	Monthly Low Price (Rs./Share)	Monthly Volume (No. of Shares)
April, 2011	122.00	106.00	13897	126.00	105.00	244516
May, 2011	118.00	98.00	18960	118.00	95.05	12090
June, 2011	134.40	100.50	46539	138.30	98.10	1129428
July, 2011	132.00	108.75	273291	138.60	106.30	651031
August, 2011	122.00	93.25	56253	120.90	93.00	252379
September, 2011	113.85	99.00	9419	113.30	100.00	49591
October, 2011	125.00	97.50	39544	139.80	98.10	350114
November, 2011	133.00	90.00	105925	141.00	90.00	762855
December, 2011	105.95	64.00	24857	104.95	60.15	585655
January, 2012	124.50	70.50	72760	119.00	70.80	73770
February, 2012	129.99	106.55	48488	128.90	103.05	374280
March, 2012	148.80	121.65	117607	148.80	120.55	70015

8. REGISTRAR & TRANSFER AGENTS

MAS Services Limited
T-34, IInd Floor, Okhla Industrial Area, Phase-II,
New Delhi – 110020
Phone Nos : 011-26387281/ 26387282/ 26387283
Fax No. : 011-26387384
E-mail : mas_serv@yahoo.com

9. SHARE TRANSFER SYSTEM

Presently, the share transfers which are received in physical form are processed and returned within a period of 15 days from the date of receipt, subject to the documents being valid and clear in all respects.

A Share Transfer Committee has been constituted by the Board to approve Transfer / Transmission, Dematerialisation/Rematerialisation/Sub-division/Consolidation/Issue of duplicate share certificates etc. The Share Transfer Committee was reconstituted during the year and Presently, the Committee consists of Shri R. Prasad, Shri Rajat Sharma and Shri Piyush Agarwal, Officers of the Company and the committee attends the transfer and other formalities once in a fortnight or as required.

In compliance with the Listing Guidelines, on half yearly basis, a Practicing Company Secretary audits the system of transfer and a Certificate to that effect is issued. Also, in compliance with the SEBI guidelines, a quarterly Audit is also conducted by a Practicing Company Secretary and the Reconciliation of Share Capital Audit Report is issued by the Practicing Company Secretary and the same is submitted to both the Stock Exchanges.

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

No. of equity shares held	Number of shareholders	Number of shares held	Percentage of share holding
1 to 5000	4,646	3,90,804	4.95
5001 to 10000	245	1,76,838	2.24
10001 to 50000	191	3,70,932	4.69
50001 to 100000	15	1,12,984	1.43
100001 & above	27	68,49,752	86.69
TOTAL	5,124	79,01,310	100.00

11. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2012.

Category	Number of shareholders	Number of shares held	Percentage of share holding
A. Promoters	8	41,10,987	52.03
B. Non-Promoters			
Financial Institutions & Banks	3	3,56,098	4.51
Body Corporate	128	17,14,342	21.7
Individuals	4,944	14,33,208	18.13
Non Resident Indians (NRIs)	38	18,175	0.23
Overseas Corporate Bodies (OCBs)	3	2,68,500	3.4
TOTAL	5,124	79,01,310	100.00

12. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2012, the 95.68% of the paid-up equity share capital of the Company has been held in dematerialized form. Trading in Equity shares of the Company through Bombay Stock Exchange and National Stock Exchange is permitted only in dematerialized form, as per notification issued by the Securities and Exchange Board of India.

Relevant data for the volume of shares traded during the year 2011-2012 is given above, under the heading "Stock Market Data".

13. LOCATION OF COMPANY'S UNITS: As given at the beginning of the Annual Report.**14. INVESTOR CORRESPONDENCE :**

Communication regarding transfer/transmission of shares, Dematerialization/ Rematerialisation, Dividends, change of address or any other queries relating to shares of the Company may be made at either of the following addresses:

a) Registrar & Transfer Agents (Both Electronic & Physical Form)

MAS Services Limited
T-34, IInd floor, Okhla Industrial Area, Phase-II,
New Delhi – 110020.
Phone Nos : 011-26387281-83
Fax No. : 011-26387384
E-mail : mas_serv@yahoo.com

b) Registered Office (Physical Form)

Share Department
ECE Industries Ltd.
28-A, Kasturba Gandhi Marg,
New Delhi-110001
Telephone Nos : 011-23314237-39
Fax : 011-23310410
E-mail : grievances@eceindustriesltd.com

c) E-Mail address of the Company for the purpose of registering complaints by Investors:

grievances@eceindustriesltd.com

II COMPLIANCE OF NON-MANDATORY REQUIREMENTS

1 THE BOARD

The Corporate office of the Company bears the expenses of the office of the Chairman. Two Independent Directors have the tenure in aggregate on the Board of more than nine years.

2. REMUNERATION COMMITTEE

The Company has the Remuneration committee consisting of Shri O.P. Khaitan as Chairman, Shri Vikram Prakash and Shri M.K. Jajoo as members of the Committee. The Committee deals with the fixation of terms and remuneration of the appointee on the Board Level.

During the financial year 2011-12, a meeting of Remuneration Committee was held on 27.05.2011 for approving of the remuneration of Shri P.K. Mohta, Managing Director of the Company under the Companies Act, 1956.

3. SHAREHOLDER RIGHTS

The Company does not send the half yearly financial performance including the significant events to the shareholders of the Company.

4. AUDIT QUALIFICATION

During the period under review, there is no Audit qualification pertaining to the financial statements. The Company continues to adopt best practices to ensure unqualified financial statements.

5. TRAINING OF BOARD MEMBERS

There was no Directors' Training programme held during the year ended on 31.03.2012.

6. MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

Non-Executive Directors are evaluated by their own peer in the Board meetings although there is no formal peer group review by the entire Board except the Directors concerned.

7. WHISTLE BLOWER POLICY

The Company does not have any formal Whistle Blower Policy.

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 9th August, 2012

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

- (a) "Certified that we have reviewed financial statements for the year ended on 31st March, 2012 and to the best of our knowledge and belief :
- (i) these statement 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) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining the internal controls and have evaluated the effectiveness of the system of the company. Efficacies/deficiencies in the design or operations of internal controls are disclosed / discussed with the auditors and the audit committee and necessary steps are taken accordingly.
- (d) We have indicated to the auditors and the Audit Committee;
- (i) there was no significant change in internal control system during the year.
 - (ii) there was no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there was no instance 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.

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Place : New Delhi
Date : 8th June, 2012

Sd/-
(P. K. Mohta)
Chief Executive Officer

Sd/-
(R. Prasad)
Chief Financial Officer



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN No. : L31500DL1945PLC008279

Nominal Capital : Rs. 15,00,00,000/-

Paid Up Capital : Rs. 7,90,13,100/-

The Members,
ECE Industries Limited
ECE House
28-A, K.G. Marg
New Delhi

We have examined all relevant records of ECE Industries Limited for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the Listing Agreement with the Bombay Stock Exchange and The National Stock Exchange for the financial year ended 31st March 2012. We have examined all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate 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.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said clause 49 of the Listing Agreement.

For PTM & Co.
Company Secretaries

Sd/-
[Tumul Maheshwari]
Proprietor
C.P. No. 5554

Place : New Delhi
Dated : 8th June, 2012

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of ECE INDUSTRIES LIMITED, as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2012, from being appointed as director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012.
 - b) In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. : 302049E

B.K.Sipani
Partner
Membership No. 088926

Place : New Delhi
Dated : 8th June, 2012

**Annexure referred to in paragraph 3 of our report of even date to the shareholders
Re: ECE Industries Limited**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- c. There was no substantial disposal of fixed assets during the year.
- (ii) a. As explained to us inventories (except stock-in-transit) were physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a. As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (herein referred to as the order), are not applicable.
- e. As informed, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that needs to be entered into the Register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (v) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records for its Products under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom tax, wealth tax, excise duty and cess on account of any dispute, other than the following:

Name of The Statute	Nature of Dues	Year	Amount (Rs. in Lacs)*	Forum where dispute is Pending
Orissa Sales Tax Act, 1947	Demand Towards Work Contract Tax	1997-99 & 2001-02	26.24	Sales Tax Appellate Tribunal, Cuttack
Bihar Sales Tax Act, 1983	Demand Towards Work Contract Tax	1993-97 & 2000-01	21.96	Jharkhand High Court
West Bengal Sales Tax Act, 1994 (Local) & Central	Demand towards Local Sales Tax & Central Sales Tax	1994-97 & 2002-03	15.26	Sales Tax Revision Bench, West Bengal
Delhi Works Contract Act, 1999	Demand Towards Work Contract Tax	2002-03	12.00	Deputy Commissioner (Appeals), Delhi
Delhi Sales Tax Act, 1975 (Central)	Demand towards non submission of forms/ Concessional forms, and demand towards interest	1980-81, 1983-84, 1989-90, 1995-96 and 1981-82	13.95	Additional Commissioner Sales Tax, Delhi
Delhi Sales Tax Act, 1975 (local)	Demand towards rejection of Stock transfer and non submission of forms	1980-81 & 1987-88	3.55	Deputy Commissioner Sales Tax, Delhi
Kerala State Sales Tax Act, 1963	Demand towards Works Contract Tax	1997-98, 1998-99 1999-2000	15.52	Assistant Commissioner Commercial Taxes, Ernakulam
Andhra Pradesh General Sales Tax Act, 1957(Central)	Demand towards Works Contract Tax	2001-02, 2003-04	10.94	Commercial Tax Officer, Andhra Pradesh
Tamilnadu Commercial Tax Act	Commercial Tax	2000-01	71.62	Tamil Nadu Sales Tax Appellate Tribunal Main Branch, Chennai
Gujarat State Sales Tax Act, 1969	Demand towards work contract tax	1993-94	2.78	Deputy Commissioner (Appeals), Gujarat
Central Excise Act, 1944	Demand towards Excise Duty	1998-99	5.82	Andhra Pradesh, High Court
U P Municipal Laws (Cess Act)	Demand towards Water Cess	1992-93	0.60	Tehsildar, Gaziabad, (U.P.)

* Net of payments

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments in shares and these are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has not given any corporate guarantee in favour of financial institution/bank for loans taken by others
- (xvi) Based on information and explanations given to us, no term loan was obtained during the year.
- (xvii) According to the information and explanation given to us, on an overall examination of the balance sheet and cash flow of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of the audit.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. : 302049E

Place : New Delhi
Dated: 8th June, 2012

B.K.Sipani
Partner
Membership No. 088926

BALANCE SHEET AS AT 31ST MARCH, 2012

		(Rs. in Lacs)	
	Note No.	As At 31.03.2012	As At 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	790.30	877.80
(b) Reserves & Surplus	2	13,442.46	14,327.14
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	3	8.14	0.66
(b) Long Term Provisions	4	318.77	264.45
(3) Current Liabilities			
(a) Short-term Borrowings	5	704.84	154.42
(b) Trade Payables	6	4,435.28	2,290.80
(c) Other Current Liabilities	7	2,952.06	2,555.11
(d) Short-term Provisions	8	470.65	423.57
Total		<u>23,122.50</u>	<u>20,893.95</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	2,528.97	1,735.07
(ii) Intangible assets	9	251.63	303.65
(iii) Capital work-in-progress		-	311.50
(b) Non Current Investments	10	183.81	183.81
(c) Long term loans and advances	11	433.50	484.09
(2) Current assets			
(a) Inventories	12	3,722.36	3,415.67
(b) Trade Receivables	13	7,643.86	8,698.83
(c) Cash and Bank Balances	14	2,353.80	1,239.77
(d) Short-term Loans & Advances	15	5,960.42	4,485.55
(e) Other Current Assets	16	44.15	36.01
Total		<u>23,122.50</u>	<u>20,893.95</u>
Significant Accounting Policies	25		
Other Notes on Accounts	26		

The Notes referred to above form an integral part of Balance Sheet
As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. : 302049E

For and on behalf of the Board of Directors

(B.K. Sipani)
Partner
Membership No. 088926
Place : New Delhi
Dated: 8th June, 2012

(Piyush Agarwal)
Company Secretary

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2012

(Rs. in Lacs)			
Particulars	Note No.	1st April 2011 to 31st March 2012	1st April 2010 to 31st March 2011
I. REVENUE :			
From operations (Gross)	17	20,816.57	20,176.66
Less : Excise Duty		1,765.94	1,647.49
Revenue from operations (Net)		<u>19,050.63</u>	<u>18,529.17</u>
II. Other Income	18	1,118.86	605.06
III. Total Revenue (I+II)		<u>20,169.49</u>	<u>19,134.23</u>
EXPENSES :			
Purchases of Traded Goods		99.64	86.94
Cost of materials consumed	19	14,268.52	13,122.22
Changes in Inventories of Finished Goods and Work-in-Progress	20	(579.63)	1,472.77
Employee Benefit Expense	21	1,237.75	1,089.62
Finance Costs	22	218.17	190.57
Depreciation and Amortization Expenses	9	207.36	128.83
Other Expenses	23	4,072.45	3,419.44
IV. Total Expenses		<u>19,524.26</u>	<u>19,510.39</u>
V. Profit/ (Loss) before exceptional items and tax		645.23	(376.16)
VI. (Less)/Add: Exceptional Items	24	(267.42)	631.10
VII. Profit before tax (V-VI)		377.81	254.94
VIII. Tax expense:			
(1) Current tax		(90.00)	(45.60)
(2) Deferred tax (Charge)/Credit	3	(7.48)	(0.27)
(3) Current Tax for earlier years		-	0.003
IX. Profit/(Loss) for the period (VII-VIII)		<u>280.33</u>	<u>209.07</u>
X. Earning per equity share:			
Equity Shares of Rs. 10/- each			
Basic & Diluted	26.2	3.32	2.88
Significant Accounting Policies	25		
Other Notes on Accounts	26		

The Notes referred to above form an integral part of Statement of Profit & Loss.
As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. : 302049E

For and on behalf of the Board of Directors

(B.K. Sipani)
Partner
Membership No. 088926
Place : New Delhi
Dated: 8th June, 2012

(Piyush Agarwal)
Company Secretary

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	377.81	254.94
Adjustments for:		
Depreciation & Amortisation Expenses	207.36	128.83
Inter Corporate Deposits Written off	116.67	-
(Profit)/ Loss on disposal of Fixed Assets(Net)	6.49	10.45
Dividend income on long term Investments (other than Trade)	(18.72)	(26.25)
Expenses relating to Capital Issuances & Buy-back	8.16	61.41
Finance Cost	218.17	190.57
Interest Income	(724.97)	(235.37)
Loss/(Profit) on sale of Investments	150.75	(649.94)
Operating Profit/(Loss) before working capital changes	341.72	(265.36)
Movement in working capital:		
(Increase)/Decrease in Sundry Debtors	1,054.97	(2,144.15)
(Increase)/Decrease in Inventories	(306.69)	3,145.67
Decrease/(Increase) in Loans and Advances	41.47	(26.65)
Increase/(Decrease) in liabilities & Provisions	2,311.04	1,490.14
Cash generated from/(Used in) operations	3,442.51	2,199.65
Direct Tax Paid(Net)	(143.82)	196.27
Net cash from/ (used in) operating activities	3,298.69	2,395.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(640.08)	(1,040.86)
Sale of Fixed Assets	30.61	10.28
Advance against Sale of Land	320.44	28.00
Sale of Investments	610.03	767.59
Purchase of Investments	(760.78)	-
Movement in Fixed & Call Deposits	0.03	1.41
Inter Corporate Deposits to Bodies Corporate	(1,566.67)	(3,300.00)
Interest Received	720.14	215.17
Dividend Received	18.72	26.25
Net cash from/(used in) Investing Activities	(1,267.56)	(3,292.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	542.31	(2,341.99)
Buyback of Shares	(1,206.74)	-
Proceeds from Rights issue	-	4388.16
Expenses relating to Capital Issuances & Buy-back	(8.16)	(61.41)
Finance Cost	(218.17)	(190.57)
Dividend Paid	(25.50)	(25.58)
Net cash from/(used in) financing activities	(916.26)	1,768.61
Net Increase/(decrease) in Cash and Cash equivalents(A+B+C)	1,114.87	872.37
Cash and Cash equivalents at the beginning of the year	1,231.46	359.09
Cash and Cash equivalents at the end of the year	2,346.33	1,231.46
Cash on hand	8.88	11.28
Cheques on hand	1,048.67	-
Balance with Scheduled Banks		
In Current Accounts	1,252.90	427.31
In Cash Credit Accounts	35.88	792.87
Earmarked Balances		
In Call Accounts	-	0.03
In Unclaimed Dividend Accounts	7.39	8.20
Post Office Savings Bank Accounts	0.08	0.08
	2,353.80	1,239.77
Less :- Fixed Deposit, Margin activity & Post office and treasury saving bank accounts Considered in Investing Activity & Unclaimed Dividend lying with Bank	7.47	8.31
	2,346.33	1,231.46

For Singhi & Co.
Chartered Accountants
Firm Reg. No. : 302049E

For and on behalf of the Board of Directors

(B.K. Sipani)
Partner
Membership No. 088926
Place : New Delhi
Dated: 8th June, 2012

(Piyush Agarwal)
Company Secretary

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

NOTES FORMING PART OF THE BALANCE SHEET AS AT AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lacs)

Particulars	As At 31.03.2012	As At 31.03.2011
1 SHARE CAPITAL		
Authorised		
1,45,00,000 (Previous Year 1,45,00,000)		
Equity Shares of Rs.10/- each	1,450.00	1,450.00
50,000 (Previous Year 50,000) Redeemable Cumulative		
Preference Shares of Rs.100/- each	50.00	50.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid-Up		
Equity Shares of Rs.10/- each		
79,01,310 (Previous Year 87,76,310)		
Equity Shares of Rs.10/- each fully paid-up	790.13	877.63
Add : Forfeited Shares (Amount originally Paid-up)	0.17	0.17
	<u>790.30</u>	<u>877.80</u>

Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2012		As at March 31, 2011	
	Nos	Rs.	Nos.	Rs.
Number of shares at the beginning	8,776,310	877.63	4388155	438.82
Add : Shares issued during the year(Right Basis)	-	-	4388155	438.81
Less : Shares bought back during the year	875,000	87.50	-	-
Number of shares at the end	7,901,310	790.13	8,776,310	877.63

Details of the Share holders holding more than 5% shares alongwith number of shares held

Shareholder's Name	As at March 31, 2012		As at March 31, 2011	
	No.of Shares held	% of Equity Shares	Nos. Shares held	% of Equity Shares
Parvati Tea Company Pvt. Ltd.	2709997	34.30	2709997	30.88
Finquest Securities Pvt. Ltd.	-	-	785000	8.94
Prakash Kumar Mohta	592016	7.49	-	-
Jayshree Finvest Pvt. Ltd.	449124	5.68	449124	5.12
Mudrika Goods Pvt. Ltd.	439746	5.57	-	-
Jayantika Vincom Pvt. Ltd.	437314	5.53	-	-
Diplomat Ltd.	430354	5.45	650501	7.41

Rights, preferences and restrictions attached with Shares

Equity Shares : The company has issued one class of Equity Share having a par value of Rs. 10/- 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. 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 of their shareholding.

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2012	As At 31.03.2011
2 RESERVES & SURPLUS			
Shares Buy Back Reserve			
As per last Balance Sheet		134.50	134.50
Add : Reserve created on buy back of equity shares		87.50	-
		<u>222.00</u>	<u>134.50</u>
Securities Premium Account			
As per last Balance Sheet		4,310.69	361.35
Add : Premium received on Right Issue		-	3,949.34
Less : Utilised in Buy Back of Equity Shares		1,206.74	-
		<u>3,103.95</u>	<u>4,310.69</u>
General Reserve			
As per last Balance Sheet		5,725.00	5,700.00
Add : Transfer from Statement of Profit & Loss		25.00	25.00
		<u>5,750.00</u>	<u>5,725.00</u>
Surplus as per Statement of Profit & Loss			
Balance Brought Forward from Previous Year		4,156.95	3,998.38
Add: Profit for the period		280.33	209.07
Less : Appropriations :		4,437.28	4,207.45
Proposed Dividend		39.38	21.94
Tax on Dividend		6.39	3.56
Transfer to General Reserve		25.00	25.00
Balance Carried to Next Year		4,366.51	4,156.95
Total Reserves and Surplus		<u>13,442.46</u>	<u>14,327.14</u>

- 2.1** The Board has recommended dividend of Rs. 0.50 (paise fifty only) per share on 78,78,663 equity shares (net of 22647 equity shares bought back after balance sheet date)
[Previous year Rs. 0.25 (paise twenty five only) per share on 87,76,310 equity shares]

3 DEFERRED TAX LIABILITIES (Net)

Deferred Tax Liabilities			
Depreciation & Amortisation		268.77	227.50
Gross Deferred Tax Liability		<u>268.77</u>	<u>227.50</u>
Deferred Tax Assets			
Effect of expenditure debited to Statement of Profit & Loss but allowable for tax purposes in following years		260.63	226.84
Gross Deferred Tax Asset		<u>260.63</u>	<u>226.84</u>
Net Deferred Tax Liability		<u>8.14</u>	<u>0.66</u>

4 LONG TERM PROVISIONS

Provision for Employee Benefits	26.8	37.97	24.63
Provision for Warrantees	8.1.1	280.80	239.82
		<u>318.77</u>	<u>264.45</u>

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2012	As At 31.03.2011
5 SHORT TERM BORROWINGS			
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	5.1	<u>704.84</u>	<u>154.42</u>
		<u>704.84</u>	<u>154.42</u>
5.1 Secured by hypothecation of book debts, receivables, materials, work in progress and finished goods. These facilities are further secured by equitable mortgage on the movable fixed assets of Sonapat, Ghaziabad and part of Hyderabad units and also Land & Building of Ghaziabad unit of the Company.			
6 TRADE PAYABLES			
Payables for goods and services	6.1	<u>4,435.28</u>	<u>2,290.80</u>
		<u>4,435.28</u>	<u>2,290.80</u>
6.1.a Payable for goods and services includes acceptances Rs. NIL (Previous Year Rs. 32.79 Lacs)			
6.1.b The Company has not received any intimation from any of its suppliers regarding their status under “The Micro, Small and Medium Enterprises Development Act, 2006” and hence disclosures, relating to amounts unpaid as at the year end along with interest, if any, payable as required under the said Act have not been given. The Company generally makes payments to all its suppliers within the agreed credit period (generally less than 45 days) and thus, the Management is confident that the liability of interest under this Act, if any, would not be material.			
7 OTHER CURRENT LIABILITIES			
Current maturities of Long Term debt		-	8.11
Security Deposits		55.99	57.15
Statutory Dues		147.10	131.30
Advance from & Credit Balance of Customers & Others		1,070.64	926.00
Advance against Sale of Land		348.44	28.00
Unpaid Dividend		7.39	8.20
Contractual Deductions by Customers & Price Variation		236.20	246.85
Employee’s Emoluments		31.16	28.28
Dues to Others		447.06	513.14
Sub Judicial Matter	7.1	608.08	608.08
		<u>2,952.06</u>	<u>2,555.11</u>

7.1 The Company had made claims against Uttar Haryana Bijli Vitran Nigam Ltd. (UHBVN) for refund of liquidated damages deducted by the Electricity Board as well as interest on delayed payment of bills/due installments by the Board. The arbitrator, appointed by the chairman, UHBVN, had given award in favour of the Company which was subsequently confirmed by the Additional Distt. Judge, Panchkula (Haryana). The Board has, however, filed an appeal with the Hon’ble High Court, Punjab & Haryana. While admitting the appeal, the Hon’ble High Court passed an interim order directing the Board to pay to the company a sum of Rs. 608.08 lacs against bank guarantee of the same amount as security to the Board. The Board has made payment against bank guarantee given to them as security. As the matter is sub-judice, the amount is lying in Other Current Liabilities.

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2012	As At 31.03.2011
8 SHORT TERM PROVISIONS			
Provision for Employee Benefits	26.8	22.34	34.84
Provision for Warrantees	8.1.1	304.54	290.23
Proposed Dividend on Equity Shares	2.1	39.38	21.94
Tax on Proposed Equity Dividend		6.39	3.56
Provision for Loss on Onerous Contracts	8.1.2	73.00	48.00
Provision for Contingent against Sales Tax Demands	8.1.3	25.00	25.00
		470.65	423.57

8.1 DISCLOSURES AS PER AS-29

Particulars	Balance as at 01.04.2011	Additions during the year	Used & reversed during the year	Balance as at 31.03.2012
Provision for Warranties	530.05	345.53	290.24	585.34
	(528.72)	(148.27)	(146.94)	(530.05)
Provision for Loss on Onerous Contracts	48.00	25.00	-	73.00
	(48.00)	-	-	(48.00)
Provision for Contingency against Sales tax demands	25.00	-	-	25.00
	(25.00)	-	-	(25.00)
TOTAL	603.05	370.53	290.24	683.34
(Previous Year)	(601.72)	(148.27)	(146.94)	(603.05)

Additional Notes :-

8.1.1 Warranty provision covers the estimated expenses to be incurred during warranty period of the products of the company determined on the basis of past experience. The company reviews the warranty provisions at periodical intervals and the same is adjusted to the estimated expenses to be incurred during the balance warranty period of the product. Expenses incurred during the year against warranties are being directly charged to Statement of Profit & Loss.

8.1.2 Provision for loss on Onerous Contracts has been made towards estimated amount of loss on pending Railway Electrification jobs.

8.1.3 Kindly refer to Note No. 26.1 [b(ii)].

9 FIXED ASSETS

(Rs. in Lacs)

S. No.	Particulars	Ref.	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			Book Value at 01.04.2011	Additions	Deductions/ Adjustments	Book Value at 31.03.2012	Upto 31.03.2011	For the year	Deductions/ Adjustments	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
A. Tangible Assets												
1	Land (Leasehold)	1	20.24	-	-	20.24	-	-	-	-	20.24	20.24
2	Land (Freehold)		8.61	356.29	-	364.90	0.73	0.02	0.75	-	364.15	7.88
3	Building, Road & Culverts	2	652.31	172.28	-	824.59	253.49	22.72	276.21	-	548.38	398.82
4	Plant & Machinery		2,261.67	434.38	35.58	2,660.47	1,153.12	111.32	1,237.52	26.92	1,422.95	1,108.55
5	Elect & Gas Installations		54.00	-	2.67	51.33	29.01	1.34	27.72	2.63	23.61	24.99
6	Furniture & Fittings		132.23	4.27	5.00	131.50	70.80	5.85	72.17	4.48	59.33	61.43
7	Office Equipments		118.53	5.76	3.13	121.16	79.17	6.28	82.85	2.60	38.31	39.36
8	Motor & Other Vehicles		113.07	13.36	38.92	87.51	39.27	7.81	35.51	11.57	52.00	73.80
	Total - A		3,360.66	986.34	85.30	4,261.70	1,625.59	155.34	1,732.73	48.20	2,528.97	1,735.07
B. Intangible Asstes												
1	Drawing & Development Exp.		164.11	-	-	164.11	8.46	27.35	35.81	-	128.30	155.65
2	Design Software		148.00	-	-	148.00	-	24.67	24.67	-	123.33	148.00
	Total - B		312.11	-	-	312.11	8.46	52.02	60.48	-	251.63	303.65
	GRAND TOTAL (A+B)		3,672.77	986.34	85.30	4,573.81	1,634.05	207.36	1793.21	48.20	2,780.60	2,038.72
	(Previous Year)		(2,870.61)	(929.86)	(127.70)	(3,672.77)	(1,612.21)	(128.83)	(1,634.05)	(106.99)	(2,038.72)	(1,258.41)

NOTES:-

1. Leasehold land includes land amounting to Rs. 2.08 lacs (Previous year Rs. 2.08 lacs) under perpetual lease.
2. Building includes Rs. 250/- (Previous Year Rs. 250/-) being the cost of 5 (Five) Shares issued by Hanuman Unit Holder Premises Co-operative Society Limited, Vadala.
3. Out of the above Fixed Assets Land, Building, Electric Installation and Air Conditioning Plant aggregate value of Rs. 0.49 lacs (Previous Year Rs. 0.49 lacs) are owned with other co-owners.

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2012	As At 31.03.2011
10 NON CURRENT INVESTMENTS			
Investment in Equity Instruments			
Quoted (At Cost)			
Fully paid-up Equity Shares of Rs. 10/- each (Face Value)			
1,19,163 (Previous Year 1,19,163) in Aditya Birla Nuvo Ltd.		178.81	178.81
31,670 (Previous Year 31,670) in Grasim Industries Ltd.	10.1	-	-
13,915 (Previous Year 13,915) in Ultratech Cement Ltd.	10.2	-	-
Fully paid-up Equity Shares of Rs. 2/- each (Face Value)			
2,25,800 (Previous Year 2,25,800) in Kesoram Textile Mills Ltd.	10.3	-	-
		<u>178.81</u>	<u>178.81</u>
Unquoted (At Cost)			
Fully paid-up Equity Shares of Rs. 10 each (Face Value)			
2,25,800 (Previous Year 2,25,800) in Kesoram Insurance Broking Service Ltd.		5.00	5.00
		<u>183.81</u>	<u>183.81</u>
Aggregate Book Value of Quoted investment		178.81	178.81
Aggregate amount of Unquoted investment		5.00	5.00
Aggregate Market Value of Quoted Investments		2,172.87	1,915.14
10.1 Received pursuant to the scheme of arrangement between Grasim Industries Ltd. and Indian Rayon & Industries Ltd during the year 1999-2000.			
10.2 Received pursuant to scheme of arrangement between Samruddhi Cements Ltd. and Ultratech Cements Ltd. during the year 2010-2011			
10.3 Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.			
11 LONG TERM LOANS AND ADVANCES			
Unsecured, Considered good			
Capital Advances		30.00	64.75
Security Deposits		403.34	419.10
Loans & Advance Recoverable in Cash or in Kind		0.16	0.24
		<u>433.50</u>	<u>484.09</u>
12 INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		982.85	1,197.12
Work-in-Progress	20.1	1,972.21	1,820.25
Stock-in-Trade		15.28	17.17
Finished Goods		460.29	30.73
Stores and Spares		291.73	350.40
		<u>3,722.36</u>	<u>3,415.67</u>

(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2012	As At 31.03.2011
13 TRADE RECEIVABLES			
Unsecured			
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Considered Good	13.1	1,783.11	2,048.72
(Under litigation Rs. 13.87 Lacs Previous Year Rs. 13.87 Lacs)			
Considered Doubtful		19.14	14.14
Less: Provision for Doubtful Debts		<u>(19.14)</u>	<u>(14.14)</u>
		1,783.11	2,048.72
Others			
Considered Good	13.1	5,860.75	6,650.11
		<u>7,643.86</u>	<u>8,698.83</u>
13.1 Balance with customers are subject to confirmations and reconciliations			
14 CASH AND BANK BALANCES			
Cash & Cash Equivalent			
Cash on hand		8.88	11.29
Cheques on Hand		1,048.67	-
Balances with banks:			
In Current Accounts		1,252.90	427.31
In Cash Credit Accounts		35.88	792.86
Earmarked Balances			
Bank Balances			
In Call Accounts		-	0.03
In Unclaimed Dividend Accounts		7.39	8.20
In Post Office Saving Bank Account	14.1	0.08	0.08
		<u>2,353.80</u>	<u>1,239.77</u>
14.1 Pass book lodged with Government Department			
15 SHORT TERM LOANS AND ADVANCES			
Unsecured			
Considered good			
Loans and Advances recoverable in Cash or in Kind		77.88	60.81
Balance with Excise Authorities		510.29	509.38
Inter Corporate Deposits with Bodies Corporate		4,750.00	3,300.00
Deposit with Others		187.94	194.66
Advance to Suppliers		101.37	164.69
Advance Income Tax (including refund receivables) (Net)		287.90	234.08
Prepaid Expenses		2.81	3.91
Balances with Other Authorities		42.23	18.02
		5,960.42	4,485.55
Considered Doubtful			
Other Advances		3.65	3.65
Less : Provision for Doubtful		<u>(3.65)</u>	<u>(3.65)</u>
		5,960.42	4,485.55
16 OTHER CURRENT ASSETS			
Interest Receivable		27.30	22.48
Claims & Others Receivable		16.85	13.53
		<u>44.15</u>	<u>36.01</u>

(Rs. in Lacs)

Particulars	Ref.	1st April, 2011 to 31st March, 2012	1st April, 2010 to 31st March, 2011
17 REVENUE FROM OPERATION (GROSS)			
Sale of Product and Services			
Finished Goods		16,177.92	16,512.59
Contract Jobs		3,747.19	2,752.81
Maintenance and Services Revenue		342.37	325.59
		<u>20,267.48</u>	<u>19,590.99</u>
Other Operating Income			
Production Scrap		549.09	585.67
		<u>20,816.57</u>	<u>20,176.66</u>
18 OTHER INCOME			
Interest Income		724.97	235.37
Rent & Licence Fees		126.94	104.05
Royalty Received		30.00	37.20
Dividend Income from Non-Current Investments (Other than Trade)		18.72	26.25
Profit on Sale of Non-Current Investments (Other than Trade)		-	18.84
Exchange Gain (Net)		-	2.89
Sundry Balances Written Back		81.11	75.50
Bad-debts Recovered		26.70	20.48
Miscellaneous Income		110.42	84.48
		<u>1,118.86</u>	<u>605.06</u>
19 COST OF MATERIAL CONSUMED			
Raw Materials Consumed			
Wires & Sections		5,404.84	4,562.38
Core		2,975.29	2,758.00
Others		5,888.39	5,801.84
		<u>14,268.52</u>	<u>13,122.22</u>
20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS			
Closing Stock			
Finished Goods		460.29	30.73
Work-in-Progress	20.1	1,972.21	1,820.25
Stock-in-Trade		15.28	17.17
		<u>2,447.78</u>	<u>1,868.15</u>
Less:			
Opening Stock			
Finished Goods		30.73	233.81
Work-in-Progress	20.1	1,820.25	3,090.72
Stock-in-Trade		17.17	16.39
		<u>1,868.15</u>	<u>3,340.92</u>
Decrease / (Increase) in Stock		<u>(579.63)</u>	<u>1,472.77</u>
		31.03.2012	31.03.2011
			31.03.2010
20.1 WORK IN PROGRESS INCLUDES			
Transformers	1,437.69	1,392.85	2,774.47
Elevators	452.05	344.93	198.02
Others	82.47	82.47	118.23

Particulars	Ref.	(Rs. in Lacs)	
		1st April, 2011 to 31st March, 2012	1st April, 2010 to 31st March, 2011
21 EMPLOYEE BENEFIT EXPENSES			
Salaries and Wages		1,060.36	1,011.27
Contribution to Provident and Other Funds		112.96	71.85
Workmen and Staff Welfare Expenses		64.43	45.51
		<u>1,237.75</u>	<u>1,128.63</u>
Less: Transferred to Capital Work-in-Progress / Capitalised		-	39.01
		<u>1,237.75</u>	<u>1,089.62</u>
22 FINANCE COST			
Interest Expense		181.35	156.20
Other Borrowing Cost		36.82	34.37
		<u>218.17</u>	<u>190.57</u>
23 OTHER EXPENSES			
Stores and Spare Parts Consumed	23.1	536.87	413.08
Processing & Material Handling Expenses		667.28	615.21
Freight outwards, Transport and Octroi Expenses		153.53	254.72
Power & Fuel Expenses		192.17	202.81
Rent		44.86	44.70
Rates and Taxes		20.82	15.18
Service Tax Paid		2.88	3.89
Auditor Remuneration	23.2	10.72	10.46
Repair and Maintenance:			
Buildings		42.85	19.62
Plant and Machinery		78.92	31.22
Others		54.60	57.69
Commission on Sales (other than sole selling agents)		339.40	224.17
Insurance		12.77	10.47
Excise Duty on Increase/(Decrease) of Stock		93.29	(10.64)
Legal & Professional Charges	23.3	60.96	54.08
Travelling & Conveyance Expenses	23.4	180.04	168.64
Bank Charges		125.37	118.96
After Sales Services		446.34	177.71
Impulse & Short Circuit Charges		139.53	262.41
Debt, Advance & Other Debit Balances Written-off		217.74	122.24
Loss on Fixed Assets sold/discarded		6.49	10.46
Foreign Exchange Loss (Net)		0.15	-
Contractual Deductions / Recoveries by Customers		209.68	344.62
Erection Charges of Transformers		80.86	61.42
Donation		5.00	-
Directors' Commission & Sitting Fees		3.98	1.53
Miscellaneous Expenses		345.98	370.55
		<u>4,073.08</u>	<u>3,585.22</u>
Less: Transferred to Capital Work in Progress / Capitalised		0.63	165.78
		<u>4,072.45</u>	<u>3,419.44</u>

Particulars	Ref.	(Rs. in Lacs)	
		1st April, 2011 to 31st March, 2012	1st April, 2010 to 31st March, 2011
23.1 Stores and Spare Parts consumption includes materials consumed for Repairs and Replacement.			
23.2 Payment to Statutory Auditors :			
i) Audit Fee		7.00	7.00
ii) Quarterly review of accounts		3.00	3.00
iii) For Certification		0.25	-
iv) Reimbursement of Expenses		0.47	0.46
23.3 Includes Rs. 2.50 Lacs (Previous Year Rs. 2.50 Lacs) to a firm in which a director is a partner.			
23.4 Includes Directors' Travelling Rs. 18.50 Lacs (Previous Year Rs. 9.35 Lacs)			
24 EXCEPTIONAL ITEMS			
Inter-Corporate Deposits Written off		116.67	-
Loss on sale of Current Investments		150.75	-
Loss/ (Profit) on Sale of Non Current Investments (other than Trade)		-	(631.10)
		<u>267.42</u>	<u>(631.10)</u>

25 SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Operation

ECE Industries Limited is mainly engaged in the manufacturing and selling of Transformer, Elevators' Components, and Switchgear and is also engaged in the erection and installation of Elevator. The Company has manufacturing facilities at Hyderabad (Andhra Pradesh), Sonapat (Haryana) and Ghaziabad (Uttar Pradesh).

b. Basis of Preparation

"The financial statements have been prepared to comply in all material in respect with the Notified Accounting Standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except claims lodged with Insurance Company but pending for settlement which is accounted for on cash basis where it is not possible to ascertain the quantum in respect thereof with reasonable accuracy. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates."

c. Fixed assets

"Fixed assets are stated at cost, less accumulated depreciation and impairment loss (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

d. Depreciation and amortization

(i) Tangible Assets

"Depreciation on Leasehold Land (except land under perpetual lease) is provided on straight line method over the unexpired lease period. Assets costing less than or equal to Rs. 5,000/- are depreciated fully in the year of purchase.

Depreciation on all other Fixed Assets has been provided on Straight Line Method at the rates computed based on estimated useful life which are equal to corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Intangible Assets

Intangible assets such as Softwares, Patents etc. are amortized based upon their estimated useful lives of 6 years.

e. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

f. Inventories

Inventories are valued as follows:

Raw materials, stores, spares, other materials and traded goods	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on first in first out basis.
Finished goods and Work-in- progress (own manufactured)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Work in Progress (Long Term Contracts)	Work in Progress i.e. jobs under execution (including materials supplied to clients under the contract) to the extent of work done but not billed is valued at the lower of actual cost incurred upto the completion on reporting date and net realizable value. Cost includes direct materials, labour and proportionate overheads.
Scrap	Net realizable value.

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

Provision for obsolete/old inventories is made, wherever required, as per the consistently followed system.

g. Revenue Recognition**Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year.

Sale of Contract Jobs

Revenue on long term contracts is recognized on the basis of percentage of completion method which is based on specified milestone or in proportionate to the work completed against each contract which are fixed price contract. Provisions are made for the entire loss on a contract irrespective of the amount of work done. Claims on account of price variation receivable / payable from / to the customers are accounted for on the basis of contractual terms. Final adjustments towards estimated claims for extra work are made in the year of settlement.

Income from Services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

Royalties

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

h. Foreign Exchange transactions**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign Currency monetary items are reported using the closing rate.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 07, 2006 are capitalized as a part of fixed asset.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for that year.

i. Leases**Where the Company is the Lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the Lessor

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

j. Retirement & Other Benefits

- (i) Retirement benefit in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- (ii) Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.
- (iii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation done by an independent actuary carried out at the year end as per projected unit credit method, and is contributed to the Gratuity Fund formed by the Company.
- (iv) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

k. Income Taxes

Tax expense comprises current and deferred Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on items other than unabsorbed depreciation and carry forward tax losses, are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

i. Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing strategic business unit/units that/those offer/offers different products and serve/serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter Segment Transfer:

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and shares bought back.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted unless specified to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

o. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

26. OTHER NOTES ON ACCOUNTS**26.1 Commitments & Contingent Liabilities**

	(Rs. in Lacs)	
	2011-12	2010-11
(a) Capital Commitments		
Estimated Amount of contracts remaining to be executed on capital account and not provided for (Advance paid Rs. 30 Lacs Previous Year Rs. 64.75 Lacs)	120.00	155.60
(b) Contingent liabilities not provided for in respect of :		
Claims against the Company not acknowledged as debts, are as given below :		
(i) Excise Duty	5.82	5.82
(ii) Sales Tax / VAT / Work Contract Tax etc. (Provision of Rs. 25 Lacs made in an earlier year is being carried forward under the head "Provision for contingencies.")	193.82	238.67
(iii) Cess & Others	21.92	0.60
(c) Other Claims :		
Other claims against the Company not acknowledged as debts, are as given below** :		
Labour Cases	0.50***	0.50***
Demands raised by Provident Fund / Employee State Insurance department	7.14***	7.78***
Other Claims	52.71***	50.70***
** Based on the Legal Opinions, the Management feels that the Company has a good chance of success in above mentioned cases and hence no provision thereagainst is considered necessary.		
*** In view of large number of cases pending at various Forums / Courts, it is not practicable to give the details of each case. List also includes certain labour matters for which amount of liability is not ascertainable at this stage.		

26.2 Basic and Diluted Earning per share

		2011-12	2010-11
Profit / (Loss) available to Equity Shareholders	Rs. in Lacs	280.33	209.07
Equity Shares Outstanding at the beginning of the year	Numbers	8776310	4388155
Equity Shares Outstanding at the year end	Numbers	7901310	8776310
Weighted Number of equity shares	Numbers	8447784	7261495
Earnings Per Share of Rs. 10/- each (Rs.)		3.32	2.88

26.3 Lease Transactions**In case of assets taken on lease**

Operating Lease:		
Lease payments for the year	0.77	0.77
Sub Lease :		
Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the period	37.13	35.49

26.4 Segment Information**(a) Business Segments:**

- "As of March 31, 2012, there are three business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Meter, Transformer and Switchgear), Elevator and Others. A description of the types of products and services provided by each reportable segment is as follows:
- Electrical Equipments for Power Transmission and Distribution :- The Company deals in Meters, manufacture and supplies distribution and Power Transformer and Switchgear.
- Elevator Divisions manufactures equipment components of elevators for executions of jobs for erection and installation and also the supplies to other parties in the market.
- Other includes Contract Division carries out Contracts of Railway Electrification.

(b) Geographical Segments:

- Since the Company operates in the domestic market which is governed by the same risks and returns, no geographical information is provided.

(c) Primary segment information (by Business segments)

- The following table presents revenue and profit information regarding business segments for the years ended March 31, 2012 and March 31, 2011 and certain assets and liability information regarding business segments at March 31, 2012 and March 31, 2011.

(d) Segment Information Disclosure:

(Rs. in Lacs)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Others		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue								
External Turnover	16,533.96	16,911.80	4,282.61	3,209.95	-	54.91	20,816.57	20,176.66
Other Income	147.65	75.74	64.03	45.16	3.59	0.36	215.27	121.26
Total Income	16,681.61	16,987.54	4,346.64	3,255.11	3.59	55.27	21,031.84	20,297.92
Results								
Segment results Profit/(Loss)	55.59	(389.26)	430.47	214.30	(31.93)	(12.10)	454.13	(187.06)
Unallocated Corporate Income (Net)							141.85	632.56
Operating Profit							595.98	445.50
Less:								
Finance Cost							218.17	190.56
Current Income Tax							90.00	45.60
Deferred Tax (Charge)							7.48	0.27
Excess provision for Income Tax for earlier years written back							-	0.003
Profit from Ordinary Activities							280.33	209.07
Other Information								
Segment Assets	14,070.81	13,294.16	2,755.53	2,192.34	441.15	450.75	17,267.49	15,937.25
Unallocated Corporate Assets							5,855.01	4,956.03
Total Assets							23,122.50	20,893.28
Segment Liabilities	5,642.65	3,037.42	1,608.19	1,384.84	249.50	226.63	7,500.34	4,648.89
Unallocated Corporate Liabilities							1,389.41	1,040.12
Total Liabilities							8,889.75	5,689.01
Capital Expenditure	226.83	857.04	50.08	227.69	-	-	276.91	1,084.73
Corporate Office Capital Expenditure	-	-	-	-	-	-	363.17	20.90
Total Capital Expenditure							640.08	1,105.63
Depreciation & Amortisation	166.31	83.88	34.33	36.83	-	0.24	200.64	120.95
Unallocated Depreciation	-	-	-	-	-	-	6.72	7.88
Total Depreciation							207.36	128.83
Other Non Cash Expenses								
Provision for Doubtful Debts and Loans	5.00	-	-	-	-	-	5.00	-

26.5 During the earlier year, the Company had entered into an agreement with developer/s for a project to construct residential units for weaker section on the company's surplus land at Hyderabad. Due to the party violating the terms and conditions of agreement dated 17.09.2007, the company had filed a suit in the City Civil Court, Hyderabad, for cancellation of the agreement and for recovery of the possession of the land handed over to developer for construction only. However, the Hon'ble Court has passed an order not accepting the contention of the company. The company has filed an appeal before the Hon'ble High Court of Andhra Pradesh against the above order of the City Civil Court at Hyderabad. The Management does not anticipate any loss/liability to arise on this account.

26.6 Derivative Instruments and unhedged Foreign Currency Exposure :

	Currency	(Rs. in Lacs)	
		2011-12	2010-11
Acceptance	USD	Nil	0.73
Foreign Currency Receivable (Not Hedged)	USD	Nil	0.56
Foreign Currency in Hand	USD	1.13	0.98

26.7 Related Party Disclosure :

Related party Disclosure as identified by the management in accordance with the Accounting Standard -18 issued by the Accounting Standards by Companies (Accounting Standards) Rules, 2006.

I. Names of Related Parties

A Key Management Personnel

Mr. P.K. Mohta Chairman & Managing Director

B Relative of Key Management Personnel

Mr. Sakate Khaitan Director (Son-in-law of Shri P.K. Mohta)

C Enterprises over which any person described in [A & B] above is able to exercise significant influence and with whom the company has transaction during the year.

NIL

II. Transactions with Related parties as mentioned in (A) above are as under:

Particulars	With Key Management Personnel		Relative of Key Management Personnel	
	Sh. P.K.Mohta(Chairman & Managing Director)		Sh. Sakate Khaitan(Director & Son-in-law of Shri P.K. Mohta)	
	2011-12	2010-11	2011-12	2010-11
Salary/Perquisites	56.45*	21.00*	-	-
Provident Fund	5.25	1.80	-	-
Dividend	0.67	0.67	-	-
Directors' Sitting Fees	-	-	0.05	-

* Excluding Gratuity and Leave Encashment provision on actuarial basis.

26.8 Disclosure under AS-15 (Employees' Benefit) :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :

	(Rs. in Lacs)	
	<u>2011-12</u>	<u>2010-11</u>
(a) Profit and Loss account:		
Net employee benefit expense (recognised in Employee Cost)		
Current service cost	22.33	18.70
Interest cost on benefit obligation	13.38	10.69
Expected return on plan assets	(12.87)	(11.31)
Net actuarial(gain) / loss recognised in the year	6.76	6.44
Net benefit expense	<u>29.60</u>	<u>24.52</u>
(b) Actual return on plan assets	12.34	12.79
(c) Balance Sheet:		
Defined benefit obligation	(189.72)	(158.02)
Fair value of plan assets	160.12	133.58
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	<u>(29.60)</u>	<u>(24.44)</u>
(d) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	158.02	130.75
Interest cost	13.38	10.69
Current service cost	22.33	18.70
Benefits paid	(10.25)	(10.03)
Actuarial (gains) / losses on obligation	6.22	7.91
Closing defined benefit obligation	<u>189.70</u>	<u>158.02</u>
(e) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	133.58	123.77
Expected return	12.87	11.31
Contributions by employer	24.45	7.05
Benefits paid	(10.25)	(10.03)
Actuarial gains / (losses)	(0.53)	1.48
Closing fair value of plan assets	<u>160.12</u>	<u>133.58</u>
(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	%	%
Investments with insurer	100	100
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.		
(g) The Principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	%	%
Discount Rate	8.75	8.5
Expected rate of return on any plan assets	9.15	9.25
Salary Rise	6	6
Employees Turnover	5	5
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(h) Amounts for the current period is as follows:		
Defined benefit obligation	189.72	158.02
Plan assets	160.12	133.58
Surplus / (Deficit)	<u>(29.60)</u>	<u>(24.44)</u>

26.9 Value of Raw Materials, Spare Parts and components consumed (As certified):**(Rs. in Lacs)**

	2011-12		2010-11	
	Rs.	%	Rs.	%
Raw Materials				
Imported	84.02	0.59	1978.34	15.08
Indigenous	14184.50	99.41	11143.88	84.92
TOTAL	14268.52	100.00	13122.22	100.00
Spare Parts				
Imported	7.61	1.42	3.15	0.76
Indigenous	529.26	98.58	409.93	99.24
TOTAL	536.87	100.00	413.08	100.00

26.10 Other Informations :

(a) C.I.F. Value of Imports (On Accrual basis)	2011-12	2010-11
Raw Material (including High Sea Purchase)	74.26	479.30
Components, Spare Parts and Store etc.	6.96	-
(b) Expenditure in Foreign Currency (Including for Project) :		
Ineterst	-	3.72
Others	10.76	9.33
(c) Net Dividend Remitted in Foreign Exchange :		
Period to which it relates	2010-11	2009-10
Number of Non-Resident shareholders	2	2
Amount remitted (in USD)	769.27	854.91

26.11 The Company has prepared current year account as per Presentation and disclosure requirement of Revised Schedule-VI to the Companies Act,1956 applicable with effect from 1st April, 2011. Previous year figures has been reclassified / regrouped to confirm current year figures.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. : 302049E

For and on behalf of the Board of Directors

(B.K. Sipani)
Partner
Membership No. 088926
Place : New Delhi
Dated: 8th June, 2012

(Piyush Agarwal)
Company Secretary

(P.K. Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

PROXY FORM
ECE INDUSTRIES LIMITED

Regd. Office : "ECE HOUSE", 28-A, Kasturba Gandhi Marg, New Delhi-110001

Folio No.....
DP Id/Client Id.....
No. of Shares held.....

I/We Resident of
.....being a Member/ Members of
ECE Industries Ltd., hereby appoint Mr./Mrs./Miss
resident of
or failing him/her
resident of
as my/our proxy to attend and vote for me/us, on my/our behalf, at the 66th Annual General Meeting of the Company,
to be held on Tuesday, the 25th September, 2012 at 12.00 Noon and at any adjournment thereof.
Signed this Day of, 2012.



.....
**Signature of Proxy
holder/Representative**

.....
**Signature of Registered
holder**

**"Affix
Revenue Stamp
here"**

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting.

ATTENDANCE SLIP
ECE INDUSTRIES LIMITED

Regd. Office : "ECE HOUSE", 28-A, Kasturba Gandhi Marg, New Delhi-110001

- 1 Full name of Member
- 2 Registered Folio No. No. of Shares
- 3 DP Id/Client Id
- 4 Father's/Husband's Name
- 5 Complete Address
- 6 Full Name of Proxy, if any

I hereby record my presence at the 66th Annual General Meeting of the Company held at 'LTG Auditorium', Copernicus Marg, Near Mandi House, New Delhi-110001 on Tuesday, the 25th September, 2012 at 12.00 Noon

.....
(Signature of Member/Proxy)

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

FINANCIALS FOR THE LAST TEN YEARS

Sl. No.	Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1	Gross Turnover	20816.57	20176.66	15930.93	23671.31	21305.63	24369.01	10319.42	8678.73	8190.03	8819.36
2	Gross Earnings	585.17	383.77	1063.20	942.13	2818.44	968.00	419.06	209.85	350.94	1073.67
3	Taxes	97.48	45.87	136.31	230.00	872.29	108.45	117.90	(19.44)	105.00	180.00
4	Cash Flow from Operations	487.69	337.90	926.89	712.13	1946.15	859.55	301.16	229.29	245.94	893.67
5	Depreciation	207.36	128.83	114.70	110.48	130.47	113.07	105.17	102.38	94.75	96.18
6	Net Earnings	280.33	209.07	812.19	601.65	1815.68	746.48	195.99	126.91	151.19	797.49
7	Equity Share Capital	790.30	877.80	438.98	438.98	438.98	438.98	438.98	438.98	438.98	457.76
8	Earning per Share	3.32	2.88	18.51	13.71	41.38	17.01	4.47	2.86	3.45	13.93
9	Net Worth per Equity Share	180.13	173.25	242.32	224.39	213.61	175.30	161.21	158.74	157.49	150.63
10	Total Dividend	39.38	21.94	21.94	109.70	109.70	109.70	76.79	65.82	65.82	120.67
11	Corporate Dividend Tax	6.39	3.56	3.64	18.64	18.64	18.64	10.77	9.40	8.43	15.46
12	Dividend per Equity Share	0.50	0.25	0.25	2.50	2.50	2.50	1.75	1.50	1.50	2.75
13	Net Block	2780.60	2350.22	1458.90	1282.78	1567.51	1211.82	1078.11	1001.77	860.17	863.16
14	Reserves & Surplus	13442.46	14327.14	10194.23	9407.62	9062.65	7253.11	6634.98	6526.55	6474.86	6435.03
15	Debt/ Equity Ratio	-	-	-	0.01	0.02	0.04	0.07	0.001	0.002	0.005



Registered Office :
"ECE HOUSE" 28-A, Kasturba Gandhi Marg
New Delhi - 110 001
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Fax : 91-11-23310410
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