

70th

**ANNUAL REPORT
2015-16**



ECE INDUSTRIES LIMITED



DIRECTORS

Mr. Prakash Kumar Mohta - CMD	Mr. Vikram Prakash
Mr. Sakate Khaitan	Mr. Mahendra Kumar Jajoo
Mrs. Moulishree Gani	Mr. Shibhan Ganju (w.e.f. 10.02.2016)
Mr. Om Prakash Khaitan (upto 05.12.2015)	

EXECUTIVES

Mr. Rajat Sharma	President & CFO
Mr. A.V. Ramachandran	President - (Transformer Division)
Mr. Manish Sikka	President - (Elevator Division)
Mr. M. Balasubramanian	Senior Vice President - (Elevator Division)
Mr. H.M. Mot	Vice President (Transformer-Hyderabad)
Mr. 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
Canara Bank
Central Bank of India
State Bank of India

AUDITORS

VSD & Associates
Chartered Accountants
DD-34, Basement, Kalkaji
New Delhi - 110019

PLANTS & PRODUCTS

SONEPAT	Transformers
GHAZIABAD	Elevators & Other Components
HYDERABAD	Transformers

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NOTICE

TO THE MEMBERS

Notice is hereby given that the Seventieth Annual General Meeting of the members of ECE Industries Limited will be held at “The Executive Club”, 439, Sahoopur, Fatehpur Beri, New Delhi – 110074 on Tuesday, the 27th day of September, 2016 at 04:30 P.M. 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, 2016 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Moulishree Gani (DIN: 02496033) who retires by rotation and being eligible offer herself for re-appointment.
3. To ratify appointment of M/s VSD & Associates, Chartered Accountants, Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

AS SPECIAL BUSINESS

4. To appoint Mr. Shiban Ganju (DIN: 03434994) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Mr. Shiban Ganju (DIN : 03434994), who was appointed as a Director in casual vacancy in place of the deceased Director, Mr. Om Prakash Khaitan and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years for a term upto the conclusion of the 75th Annual General Meeting of the Company in the Calendar year 2021.

5. To approve investment limit upto Rs.500 Crore and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

“RESOLVED THAT in supersession of all the earlier resolutions passed in this regard, pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, provisions contained in SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate; and

- acquire by way of subscription, purchase or otherwise the securities of any other body corporate, in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs.500 crores, notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the Board to invest the funds of the Company in the Inter-corporate deposits / other deposits / loans in Companies / other bodies corporate of high Net worth / Mutual Funds / Liquid Funds / scheme under Venture Capital Fund / AIF / Money Market Instruments and such other securities / Stocks / Bonds / Futures / Options / Derivatives / Bond Funds / Realty Funds / NCDs / Real-estate properties / Realty Sector Projects / Flats of Builders / Developers etc. and on such terms and conditions as may be deemed fit and expedient.

FURTHER RESOLVED THAT the Board be and is hereby authorized to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

FURTHER RESOLVED THAT the Board / Committees be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company.”

6. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2017 and in this regard to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, M/s K.L. Jaisingh & Co., Cost Accountants bearing Membership No. 1222 being the Cost Auditors appointed by the Board of Directors of the Company to conduct the cost audit for the Financial Year ending 31st March, 2017 be paid the consolidated remuneration (apart from service tax including cess as applicable and reimbursement of actual travel and out-of-pocket expenses) of Rs.40,000/- (Rupees Forty thousand only).

By Order of the Board

Sd/-

Place : New Delhi

Dated: 26th July, 2016

(Piyush Agarwal)
Company Secretary

Registered Office:

ECE House,
28-A, Kasturba Gandhi Marg,
New Delhi – 110001.
CIN: L31500DL1945PLC008279
Email: ecehodelhi@gmail.com
Website: www.eceindustriesltd.com
Tel. No.: (+91-11) 233142 37-39
Fax: (+91-11) 23310410



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.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2016 to 27.09.2016 both days inclusive for the purpose of updating the members register and share transfer books of the Company.
4. (a) Pursuant to Section 124 of the Companies Act, 2013 and rules made thereunder, unclaimed dividend for the year 2007-2008 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 124(5) of the Companies Act, 2013 and rules made thereunder, dividend for the financial year ended 31st March, 2009 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 125 of the Companies Act, 2013 and rules made thereunder.

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
31.03.2009	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	20.10.2018
31.03.2012	25.09.2012	24.09.2019	23.10.2019
31.03.2013	18.09.2013	17.09.2020	16.10.2020
31.03.2014	25.09.2014	24.09.2021	23.10.2021
31.03.2015	28.09.2015	27.09.2022	26.10.2022

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 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.

5. Members or every person purchasing the shares of the Company 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.
6. 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.
7. Members are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the meeting.
8. 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.
9. As per the provision of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, particulars of Director proposed to be appointed / re-appointed at the 70th Annual General Meeting are given in the Explanatory Statement which is part of the notice.
10. Electronic copy of the Annual Report for the financial year ended 31.03.2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the 70th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members as a part of Annual Report whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 70th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode as a part of Annual Report.
12. Members may also note that the Notice of the 70th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2016 will also be available on the Company's website www.eceindustriesltd.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: grievances@eceindustriesltd.com.
13. Additional information pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, on Director recommended for re-appointment at the Annual General Meeting is given here-in-below:

Name of Director	:	Mrs. Moulishree Gani
Date of Birth	:	27.08.1976
Date of appointment	:	19.01.2015
Qualification/ Profession	:	MBA (Marketing) from U.K.
List of Public Limited Companies (in India as well as outside India) in which outside Directorship held	:	1. Pratibha Manufacturing & Marketing Limited 2. Unique Manufacturing & Marketing Limited
Chairman / Member of the Committee of the Board of Directors of the Company	:	NIL
Chairman / Member of the Committee of the Board of Directors of other Public Committee Limited Companies	:	NIL



14. Voting through electronic means

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended upto date, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their vote electronically on the resolutions mentioned in the notice of 70th Annual General Meeting of the Company through e-Voting Services provided by National Depository Services Limited (NSDL):

The instructions for members for voting electronically are as under:-

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):
- a. Open e-mail and open PDF file viz. "ECE-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "ECE Industries Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with duly attested specimen signature of the authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to blkhandelwal@yahoo.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 70th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
- a. Initial password is provided in the letter attached with this Annual Report.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- B. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- C. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- E. The voting period begins on 23rd September, 2016 (09.30 am) and ends on 26th September, 2016 (05.00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- F. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2016.
- G. Any person, who acquire shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2016, that person may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA i.e. MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- H. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- I. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- J. Mr. B. L. Khandelwal, Practicing Chartered Accountant has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- K. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- L. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- M. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.eceindustriesltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the National Stock Exchange of India Limited (NSE).

By Order of the Board

Sd/-

(Piyush Agarwal)

Company Secretary

Place : New Delhi

Dated: 26th July, 2016



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013

Item No.4:

The Board of Directors (based on the recommendations of Nomination & Remuneration Committee) w.e.f. 10th February, 2016 has appointed Mr. Shibhan Ganju as a Director to fill the casual vacancy caused due to the sad & sudden demise of Mr. Om Prakash Khaitan, an independent director. Mr. Shibhan Ganju (DIN: 03434994) is a renowned Architect and having vast experience in the field of infrastructure development.

Mr. Shibhan Ganju is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2014 and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Shibhan Ganju fulfills the conditions for appointment as an Independent Director as specified in the Companies Act and the SEBI (LODR) Regulations, 2015 and is independent of the management. The 'Nomination & Remuneration Committee' has also recommended the appointment of Mr. Shibhan Ganju. Copy of the draft letter for appointment of Mr. Shibhan Ganju as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

It is, therefore, in the Company's interest that it should continue to avail of his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Shibhan Ganju as a Director, for the approval by the shareholders of the Company.

Except Mr. Shibhan Ganju, being an appointee, none of the other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice.

Additional information pursuant to SEBI (LODR) Regulations, 2015, on Director recommended for appointment at the Annual General Meeting is given here-in-below:

Name of Director	:	Mr. Shibhan Ganju
Date of Birth	:	15.03.1936
Date of appointment	:	10.02.2016
Qualification/ Profession	:	Degree in Architecture
List of Public Limited Companies (in India as well as outside India) in which outside Directorship held	:	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	:	1. Member – Audit Committee 2. Chairman – Nomination & Remuneration Committee
Chairman / Member of the Committee of the Board of Directors of other Public Committee Limited Companies	:	NIL

Item No.5:

In view of adverse market conditions and limited product acceptability with lowering profit margins, the Company is not finding it feasible to invest the surplus funds available in the operating activities. For better utilization of these surplus funds in the hands of company may be invested into securities or other funds for good returns. It may also require to giving loan, guarantee or provide security during course of business in the interest of company.

The Board of Directors in their meeting held on 26.07.2016 decided to seek approval of shareholders to make investment or give loan, guarantee or provide security exceeding the sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more.

Accordingly your company is required to obtain approval by passing special resolution in general meeting in case it proposes to make investment or give loan, guarantee or provide security exceeding the sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more.

In view of better utilization of funds available with the company it is proposed to pass enabling resolution authorizing Board of Directors of the company to make investment or give loan, guarantee or provide security within the limits as mentioned in proposed resolution.

None of the Director or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No.6:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit Committee. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 12th May, 2016, the Board has considered and approved appointment of M/s K.L. Jaisingh & Co., Cost Accountants, for conduct of the Cost Audit of the Company's various manufacturing units at a remuneration as mentioned in the resolution for this item of the notice.

The Resolution at Item No. 6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed resolution.

By Order of the Board

Sd/-

(Piyush Agarwal)
Company Secretary

Place : New Delhi

Dated: 26th July, 2016



DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the Seventieth Annual Report with Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

Particulars	31.03.2016 (Rs. In Lacs)	31.03.2015 (Rs. In Lacs)
Turnover (Net of Excise Duty)	15,529.69	17,883.19
Profit / (Loss) before Depreciation, Exceptional Items & Tax	(647.28)	(139.27)
Gain from Exceptional items	803.09	451.50
	155.81	312.23
Less : Depreciation	215.62	264.49
Profit / (Loss) before Tax	(59.81)	47.74
Provision for :		
(i) Current Income Tax	-	-
(ii) Deferred Tax (Charge) / Credit	(50.04)	51.13
Profit / (Loss) after Tax	(109.85)	98.87
Add : Balance Brought Forward	4,523.32	4,435.75
Profit available for Appropriation	4,413.47	4,534.62
Appropriations as under :		
1. Proposed Dividend	-	7.73
2. Provision for Dividend Tax	-	1.57
3. Transfer to General Reserve	1.00	2.00
4. Balance in Statement of Profit & Loss carried forward	4,412.47	4,523.32
	4,413.47	4,534.62

REVIEW OF PERFORMANCE AND OUTLOOK

The sales turnover for the current year is Rs.155.30 Crores against Rs.178.83 Crores in the previous year. The total gross profit for the year ended 31st March, 2016 comes to Rs.155.81 Lacs (Previous Year Rs. 312.23 lacs). After providing Rs.215.62 lacs (Previous year Rs.264.49 lacs) for depreciation and deferred tax charge of Rs. 50.04 lacs (Previous Year Rs.51.13 lacs as deferred tax credit), there remains a deficit of Rs.109.85 lacs (Previous year surplus Rs.98.87 lacs).

The operations of Company's business are facing hard times over the last 4-5 years. The economic and market conditions of the Country are still dominated by slow implementation of projects in power, infrastructure and realty sectors. Several measures taken by the Company to improve its market share in both segments viz. Transformer and Elevator business, so far, did not take off due to low price realization and also aggressive price by the competitors.

DIVIDEND

In view of continuing operational losses by the Company, we are not recommending any Dividend for the year 2015-16.

BUY-BACK

During the financial year 2015-16, the Board has approved an offer for buy-back to purchase upto 7,00,000 equity shares from open market through Stock Exchange mechanism which was opened on 20th April, 2016 & closed on 14th July, 2016 and the Company purchased 4,37,280 equity shares upto the date of closure of such offer.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report. (Annexure-I)

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in SEBI (LODR) Regulations, 2015. A separate section on compliance with the conditions of Corporate Governance and a Certificate from the firm of Practicing Company Secretaries dated 12th May, 2015 in this regard is annexed hereto and forms a part of the report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

- Policy on Directors' Appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and good corporate practices. Emphasis is given to persons from diverse fields and professions.

- Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that –

- Ø Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- Ø For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of your company state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

During the year 2015-16, Mr. Om Prakash Khaitan, independent director of the Company has passed away due to his poor health and illness. The Board placed on records its deep condolences and invaluable contribution of Mr. Khaitan. Upon recommendation of Nomination & Remuneration Committee, Mr. Shibhan Ganju has been appointed as an independent director in place of Mr. Khaitan to fill the casual vacancy caused. Your consent is sought to appoint him as an Independent Director for a term of five years.

Mrs. Moulishree Gani, Director of the Company is retiring by rotation and being eligible offer herself for re-appointment.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

There were six meetings of the Board of Directors and one meeting of the Independent Directors held during the year ended on 31st March, 2016.

DETAILS OF COMMITTEE OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report forming part of the report.

The recommendation by the Audit Committee as and when made to Board has been accepted by it.

KEY MANAGERIAL PERSONNEL

Your Company has designated Mr. Rajat Sharma, President of the Company as the Chief Financial Officer who is also the Key Managerial Personnel. In addition, Mr. Prakash Kumar Mohta, the Managing Director and Mr. Piyush Agarwal, Company Secretary are also the Key Managerial Personnel.

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY

There is no loan given, guarantee given or security provided by the Company to any entity during the year ended 31st March, 2016. Further, the investments made by the Company are within the limits and in conformity with the provisions as specified under Section 186 of the Companies Act, 2013.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public as well as employees during the financial year ended 31st March, 2016.

RISK MANAGEMENT

Your Directors periodically discuss and monitors the risk management plans as well as evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company. There is an adequate risk management infrastructure in place capable of addressing those risks.

A detailed report on significant risks and mitigation is forming part of Management's Discussion and Analysis.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company does not fall in the ambit of the provisions of Section 135 of Companies Act, 2013 relating to applicability of Corporate Social Responsibility.

ANALYSIS OF REMUNERATION

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014, a disclosure on remuneration related information of employees, Key Managerial Personnel and Directors is annexed herewith and forming part of the report. (Annexure - II)

STATUTORY AUDITORS

The reappointment of M/s. VSD & Associates, Chartered Accountants, as the Statutory Auditors of the company were ratified by the members in the Annual General Meeting held on 28th September, 2015 for the period until the conclusion of the next ensuing Annual General Meeting of the Company at remuneration to be fixed by the Board from time to time. Further, the said Auditors are eligible under Section 141(3) of the Companies Act, 2013 and their appointment is to be ratified by the members in the ensuing Annual General Meeting which we recommend.

COST AUDITORS

Your Company has appointed M/s. K.L. Jaisingh & Co., Cost Accountants as the Cost Auditors for conducting the audit of cost account records for the products Power Transformers and Elevators for the financial year ended 31st March, 2017.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2016 in prescribed form duly audited by the Practicing Company Secretary, M/s. PTM & Co. is annexed herewith and forming part of the report. (Annexure-III)

PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said amended rules.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure - IV)

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

Sd/-

Sd/-

Place : New Delhi

(Prakash Kumar Mohta)

(Vikram Prakash)

Dated : 14th July, 2016

Chairman & Managing Director

Director



ANNEXURE TO DIRECTORS' REPORT

(Annexure - I)

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

In Transformer manufacturing by using improvised Vacuum Pumps and also by improving degree of vacuum the total heating time is reduced resulting into good saving of Energy.

The Company is continuously engaged in the process of energy conservation not only in manufacturing and manufacturing process but also promotion of elevators, which are energy efficient. Gearless lifts which save consideration energy has been introduced in the market during the year and the first few are up & running.

LED lights have replaced all other forms of lighting in all the lift cars we offer now.

B. Technology Absorption

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

Form-B

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

1. Research and Development (R&D)

In Design of Core Assembly of Transformers, the Company has already adopted using the higher grade CRGO material and also step lap construction which enabled to reduce Core Loss in transformers.

Design & Development of lifts using energy efficient Permanent Magnet Synchronous Motor, (Gearless Machines) which is the latest in technology of lifts, was undertaken last year. Lifts with speeds of 1.25 mps have been dispatched. Design of 1.5 mps speed lifts has been completed and these lifts are expected to be commissioned during the year.

2. Technology Absorption, Adaptation & Renovation

In transformer manufacturing, instead of normal paper Copper conductors, we are using Bunched Conductors and Continuously Transposed Conductors (CTC) for winding as per latest technology for higher capacity transformers which enabled appreciable reduction in electrical losses making our transformers more energy efficient and compact in size.

A feasibility study of Machine Room Less Lifts using Permanent Magnet Synchronous Lifts was undertaken. First few lifts have been commissioned successfully and handed over to customers.

In the lift control system, design of communication system among various devices using serial communication was undertaken. Design was completed and after successful manufacturing and dispatch, few lifts are under commissioning. We have also taken up design of 1.75 mps gearless lifts.

C. Foreign Exchange Earnings & Outgo

The information on Foreign Exchange earnings & outgo contained in Note No. 30.9(b) of 'Other Notes on Accounts'.

ANNEXURE TO DIRECTORS' REPORT

(Annexure - II)

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/KMP to median remuneration of employee	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Prakash Kumar Mohta (Chairman & Managing Director)	175.00	19.24	82.16:1	Profit / (Loss) before tax increased by (125.28%) and Profit / (Loss) after tax increased by (111.11%) for the financial year 2015-16
2	Mr. Om Prakash Khaitan (Director)*	0.29	(43.14)	0.14:1	-
3	Mr. Vikram Prakash (Director)	0.64	8.47	0.30:1	-
4	Mr. Mahendra Kumar Jajoo (Director)	0.24	71.43	0.11:1	-
5	Mr. Sakate Khaitan (Director)	0.05	-	0.02:1	-
6	Mrs. Moulishree Gani (Director)	0.05	N.A.	0.02:1	-
7	Mr. Shibam Ganju (Director)**	0.20	N.A.	0.09:1	-
8	Mr. Ram Prasad Khandelwal (Chief Financial Officer)***	17.71	-	16.10:1	Profit / (Loss) before tax increased by (125.28%)
9	Mr. Rajat Sharma (Chief Financial Officer)****	14.34	-	13.92:1	and Profit / (Loss) after tax increased by (111.11%) for the financial year 2015-16
10	Mr. Piyush Agarwal (Company Secretary)	7.83	10.12	3.66:1	

* Upto 5th December, 2015 only.

** w.e.f. 10th February, 2016 onwards.

*** upto 6th November, 2015.

**** w.e.f. 7th November, 2015.

- (ii) The median remuneration of employees of the Company during the financial year was Rs.2.14 lacs.
- (iii) In the financial year, there was an increase of 23% in the median remuneration of employees, calculated after induction of new appointments also.
- (iv) There were 504 permanent employees on the rolls of Company as on March 31, 2016.



- (v) Relationship between average increase in remuneration and company performance:- The profit/ (loss) before tax increased by (125.28%) and profit/ (loss) after tax increased by (111.11%) for the financial year ended March 31, 2016 whereas the increase in median remuneration was 22.41%. The average increase in median remuneration was in line with the increase of salary in the industry.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company :
- The total remuneration of Key Managerial Personnel(s) increased by 14.01% from Rs.188.47 Lacs in 2014-15 to Rs.214.88 Lacs in 2015-16, however, the Profit/ (Loss) before tax increased by (125.28%) and profit/ (loss) after tax increased by (111.11%) to Rs.(59.81) Lacs & Rs.(109.85) Lacs respectively in 2015-16 (Rs.47.74 was the profit before tax and Rs.98.87 was the profit after tax in 2014-15).
- (vii) a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2016 was Rs.126.59 Crores (Rs.96.34 Crores as on March 31, 2015).
- b) Price Earnings ratio of the Company as at March 31, 2016 and as at March 31, 2015 – Not applicable – As profits is negative.
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the ratio at which the company came out with the last public offer:-
- The Company has come out with the Rights Issue in 2010 wherein 1 Equity Share was offered with a face value of Rs.10/- each at a premium of Rs.90/- each aggregating to Rs.100/- per Equity Share.
- The closing price of Company's Equity Shares as on 31st March, 2016 was Rs.163.85 at NSE, representing increase of 63.85% over the Rights issue price of the Company.
- (viii) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2015-16 was 25.37% (calculated after induction of new appointments also) whereas the increase in the key managerial remuneration for the same financial year was 14.01%.
- (ix) During the financial year, there are no variable component of remuneration availed by the directors and key managerial personnel.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (xi) It is hereby affirmed that the remuneration to Directors, Key Managerial Personnel and other Employees is paid as per Remuneration Policy of the Company.

(Annexure - III)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
ECE Industries Limited,
ECE House, 28A, K.G. Marg,
New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECE Industries Limited, (CIN No. L31500DL1945PLC008279) (hereinafter called the Company). I have not done audit of financial statements of the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2016, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement and SEBI Listing Regulations (LODR) 2015 entered into by the Company with the National Stock Exchange Limited;

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the year under report, the Company has not undertaken any corporate event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Delhi
Date: 12.05.2016

For PTM & Co.
Company Secretaries
Sd/-
(Tumul Maheshwari)
Proprietor
ACS/FCS No.16464
C P No.:5554

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

To,
The Members,
ECE Industries Limited,
ECE House, 28A, K.G. Marg,
New Delhi-110001

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

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

Place: Delhi
Date: 12.05.2016

For PTM & Co.
Company Secretaries
Sd/-
(Tumul Maheshwari)
Proprietor
ACS/FCS No.16464
C P No.:5554



(Annexure - IV)

EXTRACT OF ANNUAL RETURN
Form No. MGT-9
As on the financial year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

i	CIN	L31500DL1945PLC008279
ii	Registration Date	13th June, 1945
iii	Name of the Company	ECE INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Company Limited By Shares / Indian Non-Government Company
v	Address of the Registered office & contact details	ECE House, 28-A, Kasturba Gandhi Marg, New Delhi - 110001, Ph : 011-23314237-39 Email : ecehodelhi@gmail.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi, Ph : 011-26387281-83 Email : info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Power Transformers & Equipments	2610	73.29
2	Elevators	28161	26.71

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2015)				No. of Shares held at the end of the year (as on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	1366796	-	1366796	17.69	1366896	-	1366896	17.69	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	3500333	-	3500333	45.31	3500333	-	3500333	45.31	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB Total: (A)(1)	4867129	-	4867129	63.00	4867229	-	4867229	63.00	-
2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other....	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	4867129	-	4867129	63.00	4867229	-	4867229	63.00	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	909	-	909	0.01	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	343808	-	343808	4.45	-	-	-	-	(4.45)
g) FIs	211500	-	211500	2.74	211500	-	211500	2.74	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	555308	-	555308	7.19	212409	-	212409	2.75	(4.44)
2) Non Institutions									
a) Bodies Corporates	577555	3951	581506	7.53	1516858	3951	1520809	19.69	12.16
b) Individuals :									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	628465	163581	792046	10.25	614774	162707	777481	10.06	(0.19)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	838271	-	838271	10.85	270110	-	270110	3.50	(7.35)
c) Others :									
NRI/OCB	67784	1991	69775	0.90	69364	1991	71355	0.92	0.02
Clearing Member	21740	-	21740	0.28	6382	-	6382	0.08	(0.20)
Trust	150	-	150	-	150	-	150	-	-
SUB TOTAL(B)(2)	2133965	169523	2303488	29.82	2477638	168649	2646287	34.25	(4.44)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2689273	169523	2858796	37.00	2690047	168649	2858696	37.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7556402	169523	7725925	100	7557276	168649	7725925	100	-



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Prakash Kumar Mohta	1348158	17.45	-	1348158	17.45	-	-
2	Jayashree Mohta	11688	0.15	-	11688	0.15	-	-
3	Sakate Khaitan	200	-	-	200	-	-	-
4	Kumar Mangalam Birla	6750	0.09	-	6750	0.09	-	-
5	Moulishree Gani	-	-	-	100	0.00	-	-
6	Bhiragacha Finance Company Pvt. Ltd.	255482	3.31	-	255482	3.31	-	-
7	Jayashree Finvest Pvt. Ltd.	449124	5.81	-	449124	5.81	-	-
8	Jayantika Investment & Finance Ltd. (Formaly Parvati Tea Company Pvt. Ltd.)	2709997	35.08	-	2709997	35.08	-	-
9	Essel Mining & Industries Limited	85730	1.11	-	85730	1.11	-	-
	Total	4867129	63.00	-	4867229	63.00	-	-

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

Sl. No.		Shareholding at the beginning of the Year (as on 01.04.2015)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mrs. Moulishree Gani				
1	At the beginning of the year	-	-	-	-
2	Purchase / (Sale) during the year	100	-	100	-
3	At the end of the year	100	-	100	-

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

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2015)		Increase / (Decrease) in shareholding during the year & (Date)	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)		Shareholding at the end of the year (As on 31.03.2016)	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SMIFS Capital Markets Ltd.	384500	4.98	-	384500	4.98	384500	4.98
2	PAT Financial Consultants Pvt. Ltd.	-	-	346185 (31.03.2016)	346185	4.48	346185	4.48
3	Vistar Financiers Pvt. Ltd.	-	-	304995 (31.03.2016)	304995	3.95	304995	3.95
4	EOS Multi Strategy Fund Ltd.	211500	2.74	-	211500	2.74	211500	2.74
5	Meena A Kothari	356000	4.61	(151000) (31.03.2016)	205000	2.65	205000	2.65
6	Saraswati Commercial (India) Ltd.	-	-	114000 (31.03.2016)	114000	1.48	114000	1.48
7	Himatsingka Chemicals Private Limited	51000	0.66	36761 (31.03.2016)	87761	1.14	87761	1.14
8	Indian Chain Pvt. Ltd.	-	-	80000 (31.03.2016)	80000	1.04	80000	1.04
9	Morelia Enterprises Limited	55500	0.72	-	55500	0.75	55500	0.72
10	Winro Commercial (India) Limited	-	-	37000 (31.03.2016)	37000	0.48	37000	0.48
11	The Oriental Insurance Company Limited	343808	4.45	(343808) (31.03.2016)	-	-	-	-
12	Hitesh Ramji Javeri	300000	3.88	(299000) (31.03.2016)	1000	0.01	1000	0.01
13	Harsh Hitesh Javeri	90000	1.17	(89000) (31.03.2016)	1000	0.01	1000	0.01
14	Motilal Oswal Securities Limited	49633	0.64	(49633) (31.03.2016)	-	-	-	-
15	Globe Capital Market Limited	33914	0.44	(7843) (31.03.2016)	26071	0.34	26071	0.34

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2015)		Date wise Increase / (Decrease) in shareholding during the year	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)		Shareholding at the end of the year (As on 31.03.2016)	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Prakash Kumar Mohta	1348158	17.45	-	1348158	17.45	1348158	17.45
2	Vikram Prakash	200	0.00	-	200	0.00	200	0.00
3	Sakate Khaitan	200	0.00	-	200	0.00	200	0.00
4	Mahendra Kumar Jajoo	200	0.00	-	200	0.00	200	0.00
5	Moulshree Gani	-	-	100	100	0.00	100	0.00
6	Rajat Sharma	50	0.00	-	50	0.00	50	0.00
7	Piyush Agarwal	1	0.00	-	1	0.00	1	0.00



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	16.39	-	-	16.39
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.05	-	-	0.05
Total (i+ii+iii)	16.44	-	-	16.44
Change in Indebtedness during the financial year				
• Addition	16.80	-	-	16.80
• Reduction	15.86	-	-	15.86
Net Change	0.94	-	-	0.94
Indebtedness at the end of the financial year				
(i) Principal Amount	17.38	-	-	17.38
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17.38	-	-	17.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Mr. Prakash Kumar Mohta

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Total Amount
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	156.25
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- As % of profit	-
	- Others, specify.....	-
5	Others, please specify	
	Provident Fund (Co's Contribution),	18.75
	Superannuation (Exempted Portion),	-
	Medical Reimbursement (Exempted)	-
	Total Remuneration	175.00
	Ceiling as per the Act (Central Govt. Approval)	175.00

B. Remuneration to other Directors

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. O.P. Khaitan*	Mr. Vikram Prakash	Mr. Sakate Khaitan	Mr. M.K. Jajoo	Mrs. Moulishree Gani	Mr. Shiban Ganju**	
1	Non-executive Directors							
	• Fee for attending Board/ Committee Meetings	29000	64000	5000	24000	5000	20000	147000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total	29000	64000	5000	24000	5000	20000	147000

*Upto 5th December, 2015 only.

**w.e.f. 10th February, 2016 onwards.

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director (Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Rajat Sharma, Chief Financial Officer	Mr. Piyush Agarwal, Company Secretary	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	26.45	7.22	33.67
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commision			
	- As % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify :			
	Provident Fund (Co's Contribution),	2.07	0.46	2.53
	Superannuation (Exempted Portion),	1.00	-	1.00
	Medical Reimbursement (Exempted)	0.15	0.15	0.30
	Total Remuneration	29.67	7.83	37.50

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty Punishment Compounding			---NIL---		
B. DIRECTORS					
Penalty Punishment Compounding			---NIL---		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			---NIL---		



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

There is strong need to revamp and revitalize the power and distribution system of the Country. Poor realization from State Electricity Boards and increasing cost of finance and raw-material resulting in lower income.

SEGMENTWISE PERFORMANCE

The business segments of the company i.e. "Equipment for Power Transmission and Distribution" & "Elevator" accounted for 73.29% and 26.71% of the gross turnover respectively in the year 2015-16.

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

Particulars	2015-16	2014-15	% Change (Negative)/Positive
Turnover (Net of Excise Duty)	11,381.77	13,977.66	(18.57)
Operating Profit/(Loss) (after depreciation and before interest & exceptional items)	(692.88)	(285.28)	(142.88)

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

Particulars	2015-16	2014-15	% Change (Negative)/Positive
Turnover (Net of Excise Duty)	4,147.92	3,886.43	6.73
Operating Profit/(Loss) (after depreciation and before interest & exceptional items)	(601.08)	(136.53)	(340.25)

OUTLOOK

Low price realization & stiff competition both in transformer as well as elevator business forcing the company to still operate at low levels. Efforts are being made to upgrade product range at elevator manufacturing but high cost of maintaining workforce and inventory along with product maintenance will effect the desired results to come in near future.

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 program 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	2015-16	2014-15
Turnover (Net of Excise Duty)	15,529.69	17,883.19
Profit / (Loss) before Depreciation, Exceptional Items and Tax	(647.28)	(139.27)
Gain from Exceptional Items	803.09	451.50
Depreciation	215.62	264.49
Profit before Tax	(59.81)	47.74
Income Tax including Deferred Tax (Charge) / Credit	(50.04)	51.13
Net Profit	(109.85)	98.87
Proposed Dividend (incl. Dividend tax)	-	9.30

OTHER INCOME

Other Income mainly consists of interest, dividend, investment profits, royalty, rent & license fee and liabilities / bad debts / 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

Sd/-

Sd/-

Dated : 14th July, 2016

(Prakash Kumar Mohta)

(Vikram Prakash)

Place : New Delhi

Chairman & Managing Director

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.

A detailed disclosure on the Board of Directors, Shareholders and Stock Performance are given here-below:

2. BOARD OF DIRECTORS

Composition:

The Board of Directors as on 31st March, 2016 consists of six members, out of which five are Non-Executive Directors.

Mr. Om Prakash Khaitan, Non-executive Independent Director has passed away due to his poor health and illness on 6th December, 2015. Mr. Shibhan Ganju w.e.f. 10th February, 2016 has been appointed as an Independent Director in place of Mr. Khaitan to fill the casual vacancy caused.

Attendance record of Directors:

During the year 2015-16, six Board Meetings were held on 26.05.2015, 13.08.2015, 16.10.2015, 07.11.2015, 10.02.2016 and 23.03.2016:

Directors	Category	No. of Board meetings attended	Attendance at the last AGM	No. of outside Directorships help	(Chairman)/ Member of Board Committee	Share Holding As on 31.03.16 (No. of shares)
Mr. P. K. Mohta	Chairman & Managing Director	5	Yes	4	(Nil) 1	1348158
Mr. O.P. Khaitan (upto 05.12.2015)	Non Executive & Independent	2	No	7	-	100
Mr. Vikram Prakash	Non Executive & Independent	5	Yes	5	(2) 1	200
Mr. Sakate Khaitan	Non Executive	1	No	4	Nil	200
Mr. M.K. Jajoo	Non Executive & Independent	2	No	2	3	200
Mrs. Moulishree Gani	Non Executive	1	No	2	Nil	100
Mr. Shibhan Ganju (w.e.f. 10.02.2016)	Non Executive & Independent	2	N.A.	1	(1) 1	-

3. AUDIT COMMITTEE

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

Members of the Committee:

1. Mr. Vikram Prakash – Chairman
2. Mr. P.K. Mohta – Member
3. Mr. M.K. Jajoo – Member (w.e.f. 10.02.2016)
4. Mr. Shibhan Ganju – Member (w.e.f. 10.02.2016)

Meetings of the Audit Committee were held on 26.05.2015, 10.08.2015, 06.11.2015 and 10.02.2016. Mr. Vikram Prakash, Chairman of the Committee attended four meetings. Mr. P.K. Mohta and Mr. O.P. Khaitan, attended three meetings while Mr. Shibhan Ganju & Mr. M.K. Jajoo, the newly appointed members in Committee attended one meeting. Besides the Committee members, Mr. R. Prasad, the erstwhile President (Corporate Affairs, Finance & Legal) & CFO, Mr. Rajat Sharma, President & CFO, Mr. Piyush Agarwal, Company Secretary and Partners / other representative of the firms of Statutory Auditors, Internal Auditors were also present and attended the meetings from time to time.

The role and terms of reference of the Audit Committee covers the areas mentioned under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 beside other terms, as may be referred by the Board of Directors.

4. STAKEHOLDERS RELATIONSHIP' COMMITTEE

The Stakeholders Relationship Committee consists of the following members;

1. Mr. Vikram Prakash, Director
2. Mr. M.K. Jajoo, Director
3. Mr. Rajat Sharma, President & CFO
4. Mr. Piyush Agarwal, Company Secretary

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

- 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 Stakeholders Relationship 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 26.05.2015, 13.08.2015, 06.11.2015 and 10.02.2016 and the same were attended by Mr. Vikram Prakash, Mr. M.K. Jajoo, Mr. R. Prasad, Mr. Rajat Sharma and Mr. Piyush Agarwal. Mr. R. Prasad has been retired from the Company.

5. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted the Nomination & Remuneration committee consisting of Mr. Shibhan Ganju as Chairman, Mr. Vikram Prakash and Mr. 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 as well as the Senior Management Personnel.

6. 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 197 of the Companies Act, 2013 and Sitting Fees for attending the meetings of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Meeting of Independent Directors thereof.

Each Director was paid sitting fee for attending Board Meeting, Audit Committee and Independent Directors' Meeting @ Rs.5000/- per meeting. The Sitting fee to Director for attending the meeting of Stakeholders Relationship Committee and Nomination & Remuneration Committee is Rs. 2000/- per meeting. The details of Directors' Commission and sitting fee paid during the financial year 2015-2016 to the Directors of the Company are given below :-



Sl. No.	Name of Directors	Sitting Fee (in Rs.)					Director's Remuneration /Commission (in Rs.)	Total (in Rs.)
		Board Meeting	Audit Committee Meeting	Stakeholders Relationship Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors' Meeting		
1	Mr. P.K. Mohta	-	-	-	-	-	17500000	17500000
2	Mr. O.P. Khaitan	10000	15000	-	4000	-	-	29000
3	Mr. Vikram Prakash	25000	20000	8000	6000	5000	-	64000
4	Mr. Sakate Khaitan	5000	-	-	-	-	-	5000
5	Mr. M.K. Jajoo	10000	5000	2000	2000	5000	-	24000
6	Mrs. Moulisree Gani	5000	-	-	-	-	-	5000
7	Mr. Shibhan Ganju	10000	5000	-	-	5000	-	20000

Besides dividend on Equity shares held by the Directors, a payment of Rs. 3,50,000/- (Rupees Three lacs Fifty thousand only) was made to Mr. 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 Mr. 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 25.09.2014 which was further approved by the Central Government vide letter dated 21.01.2015.

7. INDEPENDENT DIRECTORS' MEETING

During the year, the Company has convened a separate meeting of Non-executive Independent Directors. The meeting has:

- reviewed the performance of non-independent Directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

8. GENERAL BODY MEETINGS

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

For the Financial Year	Location	Date	Time
2014-15	The Executive Club, 439, Sahnorpur, New Delhi	28.09.2015	04.30 PM
2013-14	The Executive Club, 439, Sahnorpur, New Delhi	25.09.2014	05.00 PM
2012-13	The Executive Club, 439, Sahnorpur, New Delhi	18.09.2013	04.00 PM

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

9. DISCLOSURES:

i) Related Party transactions

Transactions, if any, with the related parties are disclosed in Note no. 30.7 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 SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the years ended 31st March, 2016.

10. WHISTLE BLOWER POLICY

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy broadly cover instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, women concerns etc. The Policy provides adequate safeguard against victimization of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism. The Policy is available on the website of the Company.

11. 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.

12. ANY NON-COMPLIANCE, PENALTIES OR STRICTURES IMPOSED

There has been no non-compliance by the Company nor were any penalties imposed or strictures passed against the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital market in the last three years.

13. 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.

14. 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	:	27th September, 2016, 04.30 P.M.
Venue	:	The Executive Club, 439, Sahoorpor, Fatehpur Beri, New Delhi-110074

2. FINANCIAL CALENDAR

Financial Reporting	
For the quarter ending June 30, 2016	: By 14th August, 2016
For the quarter ending Sept., 30, 2016	: By 14th November, 2016
For the quarter ending Dec. 31, 2016	: By 14th February, 2017
For the year ending March 31, 2017	: By 30th May, 2017
Annual General Meeting for the year ending 31st March, 2017	: By the end of September, 2017



3. DATE OF BOOK CLOSURE : From 21st September, 2016
To 27th September, 2016
4. DIVIDEND PAYMENT DATE : Not Applicable
5. LISTING ON STOCK EXCHANGE : At present, the Equity shares of the Company is listed on National Stock Exchange of India Limited and Annual Listing fee for the year 2016-17 has been paid to the Stock Exchange.
- ADDRESS OF STOCK EXCHANGE : 1. National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.
6. STOCK CODE
(a) Trading symbol at :
National Stock Exchange : 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 National Stock Exchange, Mumbai is given below:

Month	NATIONAL STOCK EXCHANGE		
	Monthly High Price (Rs./Share)	Monthly Low Price (Rs./Share)	Volume (No. of Shares)
April, 2015	165.90	122.00	242410
May, 2015	146.95	121.10	24353
June, 2015	141.20	121.30	22590
July, 2015	152.00	122.00	42601
August, 2015	159.85	118.00	341669
September, 2015	149.90	125.00	28349
October, 2015	146.50	130.00	55623
November, 2015	148.80	127.00	74469
December, 2015	151.45	147.45	64765
January, 2016	196.80	125.05	608440
February, 2016	163.40	129.00	20342
March, 2016	188.00	143.00	507899

8. REGISTRAR & TRANSFER AGENTS

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase-II,
New Delhi – 110020
Phone Nos : 011-26387281/ 26387282/ 26387283
Fax No. : 011-26387384
E-mail : info@masserv.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 consists of Mr. Rajat Sharma and Mr. 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 the Stock Exchange.

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

No. of equity shares held	Number of shareholders	Number of shares held	Percentage of share holding
1 to 5000	4013	309028	4.00
5001 to 10000	223	164355	2.13
10001 to 50000	157	305476	3.95
50001 to 100000	11	80288	1.04
100001 & above	27	6866778	88.88
TOTAL	4431	7725925	100.00

11. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2016.

Category	Number of shareholders	Number of share held	Percentage of shareholding
A. Promoters	9	4867229	63.00
B. Non-Promoters			
Financial Institutions & Banks	2	909	0.01
Body Corporate	145	1527341	19.77
Individuals	4249	1047591	13.56
Non Resident Indians (NRIs)	23	71355	0.92
Foreign Institutional Investor (FIIs)	1	211500	2.74
TOTAL	4429	7725925	100.00

12. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2016, the 97.82% of the paid-up equity share capital of the Company has been held in dematerialized form. Trading in Equity shares of the Company through 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 2015-2016 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 : info@masserv.com
- b) Registered Office (Physical Form)
Share Department
ECE Industries Ltd.
ECE House,
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. One Independent Directors have the tenure in aggregate on the Board of more than nine years.

3. SHAREHOLDER RIGHTS

The quarter / half year financial performance including the significant events are being communicated to the shareholders through publication in the newspapers, informing the same to the Stock Exchange and also placed on the Company's website.

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. REPORTING OF INTERNAL AUDITORS

Reports of Internal Auditors are placed before the Audit Committee for its review.

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place : New Delhi
Dated : 14th July, 2016

(Prakash Kumar Mohta)
Chairman & Managing Director

(Vikram Prakash)
Director

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

Mr. Prakash Kumar Mohta, Chairman & Managing Director of the company and Mr. Rajat Sharma, President & CFO of the company, as per SEBI (LODR) Regulation, 2015 certify to the Board that;

- A. They have reviewed financial statements and the cash flow statements for the year and to the best of their knowledge and belief;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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 their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of company's Code of Conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit Committee that:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- E. It is also further declared that all Board members and senior personnel of the company have affirmed that they have complied with the Code of Conduct for the current year.

Sd/-
(Prakash Kumar Mohta)
Chief Executive Officer

Sd/-
(Rajat Sharma)
Chief Financial Officer

Place : New Delhi
Date : 12th May, 2016



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE
(pursuant to SEBI Listing Regulations (LODR) 2015)

The Members,
ECE Industries Limited
ECE House, 28-A, K.G. Marg
New Delhi - 110001

We have examined all relevant records of ECE Industries Limited (CIN No. L31500DL1945PLC008279) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI Listing Regulations (LODR) 2015 with the National Stock Exchange for the financial year ended 31st March, 2016. 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 the conditions of the Corporate Governance under the SEBI Listing Regulations (LODR) 2015.

For PTM & Co.
Company Secretaries

Sd/-
[Tumul Maheshwari]
Proprietor

Place : New Delhi
Dated : 12.05.2016

INDEPENDENT AUDITORS' REPORT

To
The Members,
ECE Industries Limited

Report on Financial Statements

We have audited the accompanying financial statements of ECE Industries Limited, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.



Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operation effectiveness of such controls, refer to our separate report in "Annexure- B"
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the company has disclosed the impact of pending litigations on its financial statements. – Refer Note 10.1.2 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : New Delhi
Dated: 12.05.2016

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N
Sd/-
(Vinod Sahni)
Partner
M.No.086666

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report of even date to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The company has planned program to physically verify assets in alternative years, which in our opinion is reasonable having regards to the size of the company and the nature of the assets. In accordance with the said program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) As per the explanations given to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on such verification.
- iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from public.
- vi) According to the information and explanations given to us, the company is maintaining its cost records as per the form prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for the activities of the company. We have broadly reviewed the cost records made and maintained by the company and are of the opinion that prima facie the prescribed records have been made and maintained. We however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except as given below:

S. No.	Name of the Statute	Nature of Due	Period to which it Relates	Amount (Rs. in lacs)	Date of Payment
1.	Jharkhand Value Added Tax Act, 2005	VAT Liability	2013-14 & 2014-15	3.57	Not Paid

- b) According to the records of the company, there are no dues outstanding of Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, VAT 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	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	1994-95 & 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
Andhra Pradesh General Sales Tax Act, 1957(Central)	Demand towards Works Contract Tax	2001-02, 2003-04	10.94	Commercial Tax Officer, Andhra Pradesh
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.)
Central Excise Act, 1944	Demand towards Excise Duty	2007-08	1.17	Additional Commissioner (Excise), Rohtak
Finance Act, 1994	Interest and Penalty	2010-11	1.18	Commissioner (Appeals), Ghaziabad

* Net of payments

- viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. According to the information and explanations given to us, there are no dues outstanding in respect of any debenture during the current financial year or any previous year.
- ix) During the year the Company has not raised any funds through Initial/Further Public offer (including debt instruments) and the term loans were applied for the purpose for which they were obtained.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi
Dated: 12.05.2016

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N
Sd/-
(Vinod Sahni)
Partner
M.No.086666

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ECE INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of ECE Industries Limited as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion , the company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operation effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi
Dated: 12.05.2016

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N
Sd/-
(Vinod Sahni)
Partner
M.No.086666

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	(Rs. in Lacs)	
		As At 31.03.2016	As At 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	772.76	772.76
(b) Reserves & Surplus	2	13,288.55	13,398.40
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	9.12	4.34
(b) Deferred Tax Liabilities (Net)	4	40.04	-
(c) Other Long-Term Liabilities	5	43.97	54.47
(d) Long Term Provisions	6	236.81	292.20
(3) Current Liabilities			
(a) Short-term Borrowings	7	-	9.51
(b) Trade Payables	8	6,433.12	4,805.81
(c) Other Current Liabilities	9	3,298.54	2,521.40
(d) Short-term Provisions	10	360.53	404.44
Total		<u>24,483.44</u>	<u>22,263.33</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1,861.75	2,077.65
(ii) Intangible assets	11	61.18	106.91
(b) Non Current Investments	12	10,042.94	9,056.56
(c) Deferred Tax Assets (Net)	13	-	10.00
(d) Long Term Loans & Advances	14	184.62	637.47
(2) Current assets			
(a) Inventories	15	3,928.74	2,913.52
(b) Trade Receivables	16	5,943.00	5,303.57
(c) Cash and Bank Balances	17	734.78	693.86
(d) Short-term Loans & Advances	18	1,648.25	1,296.08
(e) Other Current Assets	19	78.18	167.71
Total		<u>24,483.44</u>	<u>22,263.33</u>

Summary of Significant Accounting Policies 29

Other Notes on Accounts 30

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

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N
Sd/-

(Vinod Sahni)

Partner

Membership No. 086666

Place : New Delhi

Dated: 12th May, 2016

For and on behalf of the Board of Directors

Sd/-

(Prakash Kumar Mohta)
Chairman & Managing Director

Din : 00191299

Sd/-

(Vikram Prakash)
Director

Din : 00027732

Sd/-

(Rajat Sharma)
Chief Financial Officer

Sd/-

(Piyush Agarwal)
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

Particulars	Note No.	(Rs. in Lacs)	
		1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
REVENUE :			
I. Revenue from operations (Gross)		17,157.90	19,535.46
Less : Excise duty		<u>1,628.21</u>	<u>1,652.27</u>
Revenue from operations (Net)	20	15,529.69	17,883.19
II. Other Income	21	<u>1,373.28</u>	<u>994.47</u>
III. Total Revenue		<u>16,902.97</u>	<u>18,877.66</u>
IV. EXPENSES :			
Purchases of Traded Goods		80.69	69.95
Cost of Materials Consumed	22	12,239.49	13,505.25
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(737.10)	413.42
Employee Benefit Expense	24	2,074.01	1,744.01
Finance Costs	25	197.21	215.86
Depreciation and Amortization Expenses	26	215.62	264.49
Other Expenses	27	3,695.95	3,068.44
Total Expenses		<u>17,765.87</u>	<u>19,281.42</u>
V. Profit before exceptional items and tax		(862.90)	(403.76)
VI. (Less) / Add : Exceptional Items	28	803.09	451.50
VII. Profit before tax		(59.81)	47.74
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Charge / (Credit)	4 & 13	<u>50.04</u>	<u>(51.13)</u>
IX. Profit for the period		<u>(109.85)</u>	<u>98.87</u>
X. Earning per equity share:			
Equity Shares of Rs. 10 each			
Basic & Diluted	30.3	(1.42)	1.28
Summary of Significant Accounting Policies	29		
Other Notes on Accounts	30		

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

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N
Sd/-
(Vinod Sahni)
Partner
Membership No. 086666
Place : New Delhi
Dated: 12th May, 2016

For and on behalf of the Board of Directors

Sd/- (Prakash Kumar Mohta) Chairman & Managing Director Din : 00191299	Sd/- (Vikram Prakash) Director Din : 00027732	Sd/- (Rajat Sharma) Chief Financial Officer	Sd/- (Piyush Agarwal) Company Secretary
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

Particulars	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(59.81)	47.74
Adjustments for:		
Depreciation and Amortization Expenses	215.62	264.49
Provision for Impairment of Fixed Assets	40.34	-
(Profit)/Loss on disposal of Fixed Assets (Net)	(1,118.88)	(54.31)
Dividend income on non-current Investments (other than Trade)	(71.49)	(31.85)
Finance Costs	197.21	215.86
Interest Income	(928.45)	(535.80)
Inter Corporate Deposits earlier written off, now recovered	(39.10)	(75.00)
Net Provision for doubtful debts, loans and advances/ (Adjusted)	111.15	35.68
Loss/(Profit) on sale of Investments	38.97	(510.67)
Operating Profit/(Loss) before working capital changes	(1,614.44)	(643.86)
Movement in Working Capital :		
(Increase)/Decrease in Trade Receivable	(750.59)	(481.82)
(Increase)/Decrease in Inventories	(1,015.21)	62.07
Decrease/(Increase) in Loans and Advances	179.77	208.50
Increase/(Decrease) in Current Liabilities & Provisions	2,351.63	1,557.63
Cash generated from/(Used in) operations	(848.84)	702.52
Direct Tax Paid (Net)	(36.42)	(52.60)
Net cash from/(used in) operating activities	(885.26)	649.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	103.03	(365.60)
Sale of Fixed Assets	1,236.72	97.71
Sale of Investments	3,828.16	7,999.34
Purchases of investments	(4,853.50)	(8,704.32)
Inter Corporate Deposits to Bodies Corporate	(300.00)	-
Inter Corporate Deposits earlier written off, now recovered	39.10	75.00
Interest Received	1,008.17	588.15
Dividend Received	71.49	31.85
Net cash from/(used in) Investing Activities	1,133.17	(277.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	0.99	16.38
Finance Costs	(197.21)	(215.86)
Dividend Paid	(9.30)	(9.04)
Net cash from/(used in) financing activities	(205.52)	(208.51)
Net Increase/(decrease) in Cash and Cash equivalents(A+B+C)	42.39	163.52
Cash and Cash equivalents at the beginning of the year	689.17	525.65
Cash and Cash equivalents at the end of the year	731.56	689.17
Cash on hand	29.53	10.01
Balances with banks:		
In Current Accounts	299.20	333.60
In Cash Credit Accounts	399.38	345.56
Balance with Bank in Margin Money	3.45	-
Earmarked Balances		
In Unclaimed Dividend Accounts	3.22	4.69
	734.78	693.87
Less :- Unclaimed Dividend lying with Bank	3.22	4.69
	731.56	689.17

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N
Sd/-
(Vinod Sahni)
Partner
Membership No. 086666
Place : New Delhi
Dated: 12th May, 2016

For and on behalf of the Board of Directors

Sd/- (Prakash Kumar Mohta) Chairman & Managing Director Din : 00191299	Sd/- (Vikram Prakash) Director Din : 00027732	Sd/- (Rajat Sharma) Chief Financial Officer	Sd/- (Piyush Agarwal) Company Secretary
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NOTES FORMING PART OF THE BALANCE SHEET

Particulars	Ref.	(Rs. in Lacs)	
		As At 31.03.2016	As At 31.03.2015
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			
77,71,155 (Previous year 77,71,155) Equity Shares of			
Rs. 10/- each fully paid-up		777.12	777.12
		<u>777.12</u>	<u>777.12</u>
Subscribed and Paid-up			
77,25,925 (Previous year 77,25,925) Equity Shares of		772.59	772.59
Rs. 10/- each fully paid-up			
Add : Forfeited Shares (Amount originally Paid-up)		0.17	0.17
		<u>772.76</u>	<u>772.76</u>

1.1 Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Rs. in Lacs	Nos.	Rs. in Lacs
Number of shares at the beginning	7,725,925	772.59	7,725,925	772.59
Add / (Less) : Shares issued / bought back during the year	-	-	-	-
Number of shares at the end	7,725,925	772.59	7,725,925	772.59

1.2 Total number of 1050385 (1050385) Equity Shares were bought back in the last five years.

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

Shareholder's Name	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Equity Shares	No. of Shares held	% of Equity Shares
Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Company Pvt. Ltd.)	2,709,997	35.08	2,709,997	35.08
Prakash Kumar Mohta	1,348,158	17.45	1,348,158	17.45
Jayshree Finvest Pvt. Ltd.	449,124	5.81	449,124	5.81

1.4 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 to their shareholding.

				(Rs. in Lacs)	
Particulars	Ref.	As At 31.03.2016	As At 31.03.2015		
2 RESERVES & SURPLUS					
Share Buy Back Reserve					
As per last Balance Sheet		239.54	239.54		
	(A)	<u>239.54</u>	<u>239.54</u>		
Securities Premium Account					
As per last Balance Sheet		2,892.65	2,892.65		
	(B)	<u>2,892.65</u>	<u>2,892.65</u>		
General Reserve					
As per last Balance Sheet		5,742.89	5,761.00		
Add: Transfer from Statement of Profit & Loss		1.00	2.00		
		<u>5,743.89</u>	<u>5,763.00</u>		
Less : Adjustment relating to Fixed Assets		-	20.11		
	(C)	<u>5,743.89</u>	<u>5,742.89</u>		
Surplus as per Statement of Profit & Loss					
Balance Brought Forward from Previous Year		4,523.32	4,435.75		
Add: Profit/(Loss) for the period		(109.85)	98.87		
		<u>4,413.47</u>	<u>4,534.62</u>		
Less : Appropriations					
Proposed Dividend		-	7.73		
Tax on Dividend		-	1.57		
Transfer to General Reserve		1.00	2.00		
Balance Carried to Next Year	(D)	<u>4,412.47</u>	<u>4,523.32</u>		
Total Reserves and Surplus (A+B+C+D)		<u>13,288.55</u>	<u>13,398.40</u>		
3 LONG TERM BORROWINGS					
Vehicle Loan					
- From Banks					
HDFC Bank	3.1	1.52	4.34		
- From Other Parties					
Toyota Financial Services India Limited	3.2	7.60	-		
		<u>9.12</u>	<u>4.34</u>		
3.1	The loan is sanctioned for Rs. 8.04 lacs @ 10.50% repayable in 36 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.				
3.2	The loan is sanctioned for Rs. 16.80 lacs @ 10.26% repayable in 36 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.				
4 DEFERRED TAX LIABILITIES (Net)					
Deferred Tax Liabilities					
Depreciation & Amortisation		291.08	-		
Gross Deferred Tax Liability		<u>291.08</u>	<u>-</u>		
Deferred Tax Assets					
Effect of expenditure debited to Statement of Profit & Loss but allowable for tax purposes in following years		251.04	-		
Gross Deferred Tax Asset		<u>251.04</u>	<u>-</u>		
Net Deferred Tax Liability		<u>40.04</u>	<u>-</u>		
5 OTHER LONG-TERM LIABILITIES					
Security Deposits		26.98	37.48		
Other Long-Term Liabilities		16.99	16.99		
		<u>43.97</u>	<u>54.47</u>		



				(Rs. in Lacs)	
Particulars	Ref.	As At 31.03.2016		As At 31.03.2015	
6 LONG TERM PROVISIONS					
Provision for Employee Benefits		70.31		68.65	
Provision for Warranty	10.1.1	166.50		223.55	
		<u>236.81</u>		<u>292.20</u>	
7 SHORT TERM BORROWINGS					
Secured Loans					
Repayable on Demand					
Cash Credit Facility from Banks	7.1	-		9.51	
		<u>-</u>		<u>9.51</u>	
7.1 First Pari-Passu charge by way of hypothecation on all Current Assets of the company both present & future. Second Pari-Passu charge on Fixed Assets of the company as under :-					
- Land & Building of Sonapat unit admeasuring 16.86 acres.					
- Plant & Machinery of all units except Ghaziabad unit.					
- Pari-Passu charge on other Fixed Assets of all units except Ghaziabad unit & at Kalol, Gujarat.					
8 TRADE PAYABLES					
Payables for goods and services	8.1 & 8.2	6,433.12		4,805.81	
		<u>6,433.12</u>		<u>4,805.81</u>	
8.1 The Company has not received any intimation from most 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.					
8.2 Vendor's balances are subject to confirmations and reconciliations.					
9 OTHER CURRENT LIABILITIES					
Other Current Liabilities					
Current maturities of long term debt		8.26		2.54	
Interest accrued but not due on borrowings		-		0.04	
Unpaid Dividend		3.21		4.69	
Others					
Security Deposits		12.35		27.67	
Statutory Dues		77.94		67.16	
Advance from and Credit Balance of Customers & Others		1,397.72		751.34	
Advance against sale of Fixed Assets		171.67		223.60	
Unearned Revenue		72.99		74.25	
Contractual Deductions by Customers & Price Variation		231.85		178.67	
Employee's Emoluments		225.39		130.79	
Dues to Others		435.08		398.57	
Sub Judicial Matters	9.1 & 28.3	662.08		662.08	
		<u>3,298.54</u>		<u>2,521.40</u>	

9.1 The Company had made claims against Uttar Haryana Bijli Vitran Nigam Limited (UHBVN) for refund of liquidated damages deducted by the Electricity Board as well as interest on delayed payment of bills/due instalments by the Electricity 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 Electricity 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 dated 25.08.2009, directing the Electricity Board to pay to the Company a sum of Rs. 608.08 lacs against bank guarantee of the same amount as security to the Electricity Board. The Electricity Board has made payment against bank guarantee given to them as security. As the matter is still sub-judice, the amount is lying in Other Current Liabilities.

(Rs. in Lacs)

Particulars	Ref.	As At 31.03.2016	As At 31.03.2015
10 SHORT TERM PROVISIONS			
Provision for Employee Benefits	28.3	133.43	128.91
Provision for Warranty	10.1.1	163.10	202.23
Provision for Expenses		20.00	20.00
Proposed Dividend on Equity Shares		-	7.73
Tax on Proposed Equity Dividend		-	1.57
Provision for Loss on Onerous Contracts		19.00	19.00
Provision against Sales Tax Demands	10.1.2	25.00	25.00
		<u>360.53</u>	<u>404.44</u>

10.1 DISCLOSURES AS PER AS-29

Particulars	Balance as at 01.04.2015	Additions during the year	Used & reversed during the year	Balance as at 31.03.2016
Provision for Warranty	425.78	3.70	99.88	329.60
	(433.79)	(73.49)	(81.50)	(425.78)
Provision for Loss on Onerous Contracts	19.00	-	-	19.00
	(44.00)	-	(25.00)	(19.00)
Provision for Contingency against Sales tax demands	25.00	-	-	25.00
	(25.00)	-	-	(25.00)
Current Year	469.78	3.70	99.88	373.60
Previous Year	(502.79)	(73.49)	(106.50)	(469.78)

Additional Notes :-

10.1.1 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 warranty are being directly charged to Statement of Profit & Loss.

10.1.2 Refer Note 30.1(a)(ii).

11 FIXED ASSETS

(Rs. in Lacs)

S. No.	Particulars	Ref	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK			
			Book Value at 01.04.2015	Additions	Deductions/ Adjustments	Book Value at 31.03.2016	Upto 31.03.2015	For the Year	Deductions/ Adjustments	Upto 31.03.2016	Upto 31.03.2016	Reversal during the year	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
A. Tangible Assets															
1	Land (Leasehold)	1	22.38 (20.24)	- (2.14)	- (-)	22.38 (22.38)	0.80 (0.78)	0.02 (0.02)	- (-)	0.82 (0.80)	-	-	-	21.56 (21.58)	21.58 (19.46)
2	Land (Freehold)		382.52 (364.84)	46.72 (17.68)	166.04 (-)	263.20 (382.52)	- (-)	- (-)	- (-)	- (-)	-	-	-	263.20 (382.52)	382.52 (364.84)
3	Building, Road & Culverts	2	811.61 (816.06)	- (-)	4.47 (4.45)	807.14 (811.61)	330.49 (305.78)	21.16 (26.36)	3.88 (1.65)	347.77 (330.49)	-	-	-	459.37 (481.12)	481.12 (510.28)
4	Plant & Machinery		2,638.25 (2,621.80)	33.60 (25.39)	226.77 (8.94)	2,445.08 (2,638.25)	1,584.63 (1,473.63)	102.07 (119.48)	216.05 (8.48)	1,470.64 (1,584.63)	39.93	9.86	30.07	944.37 (1,053.62)	1,053.62 (1,148.16)
6	Electric and Gas Installation		53.23 (53.23)	- (-)	9.12 (-)	44.11 (53.23)	33.69 (29.85)	4.07 (3.84)	8.66 (-)	29.09 (33.69)	0.41	0.41	-	15.01 (19.54)	19.54 (23.37)
7	Furniture & Fittings		93.00 (73.76)	20.71 (19.25)	4.20 (-)	109.51 (93.00)	61.27 (55.23)	6.34 (6.05)	3.99 (-)	63.62 (61.27)	-	-	-	45.89 (31.73)	31.73 (18.53)
8	Office Equipments		195.61 (185.85)	33.58 (11.72)	38.05 (1.96)	191.14 (195.61)	152.57 (120.45)	13.82 (33.81)	36.03 (1.69)	130.36 (152.57)	-	-	-	60.78 (43.04)	43.04 (65.40)
9	Motor & Other Vehicles		95.18 (79.42)	19.82 (18.55)	- (2.79)	115.00 (95.18)	50.68 (40.75)	12.75 (12.58)	- (2.65)	63.43 (50.68)	-	-	-	51.57 (44.50)	44.50 (38.67)
	Total - A		4,291.78 (4,215.20)	154.43 (94.73)	448.65 (18.14)	3,997.56 (4,291.78)	2,214.14 (2,026.47)	160.23 (202.14)	268.62 (14.47)	2,105.73 (2,214.14)	40.34	10.27	30.07	1,861.75 (2,077.65)	2,077.65 (2,188.71)
B. Intangible Assets															
1	Drawings & Development		226.99 (226.99)	9.66 (-)	- (-)	236.65 (226.99)	169.42 (101.50)	30.72 (67.92)	- (-)	200.14 (169.42)	-	-	-	36.51 (57.57)	57.57 (125.49)
2	Design Software		148.00 (148.00)	- (-)	- (-)	148.00 (148.00)	98.67 (74.00)	24.67 (24.67)	- (-)	123.33 (98.67)	-	-	-	24.67 (49.34)	49.34 (74.00)
	Total - B		374.99 (374.99)	9.66 (-)	- (-)	384.65 (374.99)	268.09 (175.50)	55.39 (92.59)	- (-)	323.47 (268.09)	-	-	-	61.18 (106.91)	106.91 (199.49)
	Grand Total (A+B)		4,666.77 (4,590.19)	164.09 (94.73)	448.65 (18.14)	4,382.21 (4,666.77)	2,482.23 (2,201.97)	215.62 (294.73)	268.62 (14.47)	2,429.21 (2,482.23)	40.34	10.27	30.07	1,922.93 (2,184.56)	2,184.56 (2,388.21)
	Previous Year														

NOTES:-

- Leasehold land includes land amounting to Rs. 2.08 Lacs (Previous year Rs. 2.08 Lacs) under perpetual lease.
- Building includes Rs. 250 (Previous Year Rs. 250) (Full Amount) being the cost of 5 (Five) Shares issued by Hanuman Unit Holder Premises Co-operative Society Limited, Vadala.
- 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 31.03.2016	As At 31.03.2015
12 NON CURRENT INVESTMENTS (AT COST)			
Investment in Equity Instruments			
Quoted			
Fully paid-up Equity Shares of Rs. 10/- each (Face Value)			
1,19,163 (Previous Year 1,19,163) in Aditya Birla Nuvo Ltd.	12.1	177.25	178.81
6,19,647 (Previous Year NIL) in Aditya Birla Fashion & Retail Ltd.	12.1	1.56	-
31,670 (Previous Year 31,670) in Grasim Industries Ltd.	12.2	-	-
13,915 (Previous Year 13,915) in Ultratech Cement Ltd.	12.3	-	-
Fully paid-up Equity Shares of Rs. 2/- each (Face Value)			
2,25,800 (Previous Year 2,25,800) in Kesoram Textile Mills Ltd.	12.4	-	-
NIL (Previous Year 5,000) in Hero Motocorp Ltd.		-	134.71
Unquoted			
Fully paid-up Equity Shares of Rs. 10 each (Face Value)			
50,000 (Previous Year 50,000) in Kesoram Insurance Broking Service Ltd.		5.00	5.00
Investment in Preference Instruments			
Quoted			
Fully paid-up Preference Shares of Rs. 10/- each (Face Value)			
25,00,000 (Previous Year 25,00,000) in IL&FS Transportation Networks Ltd.		500.00	500.00
Investment in Bonds (Infrastructure)			
Quoted			
NIL (Previous Year 32,389) Power Finance Corporation Ltd.		-	323.89
NIL (Previous Year 50,000) India Infrastructure Finance Company Ltd.		-	500.00
Investment in Mutual Funds			
1,00,00,000 (Previous Year 1,00,00,000) Units of HDFC - FMP		1,000.00	1,000.00
50,00,000 (Previous Year 50,00,000) Units of Kotak - FMP		500.00	500.00
NIL (Previous Year 80,25,188) Units of JP Morgan India Government Securities Fund		-	900.00
NIL (Previous Year 67,307) Units of Birla Sunlife-Cash Plus Fund		-	150.00
Investment in Venture Capital Fund			
ICICI Venture Capital Fund Real Estate Scheme 1		2,000.00	2,000.00
IIFL Income Opportunity Fund Series - Special Situation		1,500.00	1,100.00
IIFL Real Estate Fund (Domestic) Series-2		675.00	375.00
Indiareit Apartment Fund		750.00	375.00
ICICI Prudential Real Estate AIF-I		664.71	-
ICICI Prudential Real Estate AMC Ltd.		652.48	-
IIFL Aletrnate Asset Advisors Ltd.		146.78	-
Investment in Non Convertible Debentures			
Nil (Previous Year 750) Units of ICICI Prudential AMC Ltd.		-	562.50
Face Value Rs.75,000/- each			
480 (Previous Year 500) Units of Sambhavi Reality Pvt. Ltd		482.74	343.72
Face Value Rs. 1,00,000/- each			
Nil (Previous Year 100) Units of Wadhwa Group Holdings Pvt. Ltd.		-	107.93
Face Value Rs. 1,00,000/- each			
945 (Previous Year Nil) units of Sheth Buildwell Pvt. Ltd.		987.42	-
Face Value Rs. 1,00,000/- each		<u>10,042.94</u>	<u>9,056.56</u>
Aggregate Book Value of Quoted Investments		683.81	1,637.41
Aggregate Market Value of Quoted Investments		4,099.59	5,011.28
Aggregate Amount of Unquoted Investments		9,359.13	7,419.15



- 12.1 During the year, under the scheme for the transfer/ vesting by way of demerger of the “Madura Undertaking” an undertaking of Aditya Birla Nuvo Limited (ABNL), on a going concern basis, to Aditya Birla Fashion and Retail Limited (ABFRL), 6,19,647 equity shares of ABFRL were allotted against 1,19,163 equity shares of Aditya Birla Nuvo Limited (ABNL). As such, cost of acquisition of equity shares to be issued by ABFRL for every one equity share held in ABNL is 0.87% of the total cost of acquisition of shares held in ABNL prior to the scheme.
- 12.2 Received pursuant to the scheme of arrangement between Grasim Industries Ltd. and Indian Rayon & Industries Ltd during the year 1999-2000.
- 12.3 Received pursuant to scheme of arrangement between Samruddhi Cements Ltd. and Ultratech Cements Ltd during the year 2010-2011.
- 12.4 Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.

(Rs. in Lacs)			
Particulars	Ref.	As At 31.03.2016	As At 31.03.2015
13 DEFERRED TAX ASSETS (Net)			
Deferred Tax Assets			
Effect of expenditure debited to Statement of Profit & Loss but allowable for tax purposes in following years		-	228.10
Gross Deferred Tax Asset		-	228.10
Deferred Tax Liabilities			
Depreciation & Amortisation		-	218.10
Gross Deferred Tax Liability		-	218.10
Net Deferred Tax Assets	13.1	-	10.00
13.1 In Previous Year, the Deferred Tax Credit has been adjusted by Rs. 10.14 lacs on account on adjustment made to Carrying Value of Fixed Assets in compliance with Schedule II of Companies Act, 2013.			
14 LONG TERM LOANS AND ADVANCES			
Unsecured, Considered good			
Capital Advances		3.75	270.87
Security Deposits		180.87	365.55
Prepaid Expenses		-	1.05
		<u>184.62</u>	<u>637.47</u>
15 INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		1,450.71	1,028.56
Work in Progress	23.1	2,344.30	1,761.83
Stock in Trade		8.23	17.59
Finished Goods		11.64	18.05
Stores and Spares		113.86	87.49
		<u>3,928.74</u>	<u>2,913.52</u>
16 TRADE RECEIVABLES			
Unsecured			
Trade receivables outstanding for a period exceeding six months from due date			
Considered Good (unless otherwise stated)	16.1	1,426.25	1,815.33
[Under litigation Rs. 0.70 Lacs (Previous Year Rs. 0.70 Lacs)]			
Considered Doubtful		161.98	50.83
Less: Provision for Doubtful Debts		(161.98)	(50.83)
		<u>1,426.25</u>	<u>1,815.33</u>
Others			
Considered Good	16.1	4,516.75	3,488.24
		<u>5,943.00</u>	<u>5,303.57</u>

- 16.1 Balance with customers are subject to confirmations and reconciliations.

Particulars	Ref.	(Rs. in Lacs)	
		As At 31.03.2016	As At 31.03.2015
17 CASH AND BANK BALANCES			
Cash & Cash Equivalent			
Cash on hand		29.53	10.01
Balances with banks:			
In Current Accounts		299.20	333.60
In Cash Credit Accounts		399.38	345.56
In Margin Money		3.45	-
Earmarked Balances			
In Unclaimed Dividend Accounts		3.22	4.69
		<u>734.78</u>	<u>693.86</u>
18 SHORT TERM LOANS AND ADVANCES			
Unsecured, Considered good			
Loans and Advances recoverable in Cash or in Kind			
Balance with Excise Authorities		468.71	486.21
Balances with Other Authorities		29.44	29.79
Advance Income Tax (including refund receivables) (Net)		481.64	445.23
Inter Corporate Deposits with Bodies Corporate		300.00	-
Deposit with Others		77.49	99.35
Advance to Suppliers		52.41	86.26
Unbilled Revenue		91.59	51.44
Prepaid Expenses		7.51	5.26
Others		139.46	92.54
		<u>1,648.25</u>	<u>1,296.08</u>
19 OTHER CURRENT ASSETS			
Accrued Interest Receivable		73.67	153.40
Claims & Others Receivable		4.51	14.31
		<u>78.18</u>	<u>167.71</u>

Particulars	Ref.	(Rs. in Lacs)	
		1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015
20 REVENUE FROM OPERATIONS			
Sale of Product and Services			
Sale of Finished Goods		13,365.75	15,483.98
Contract Jobs	20.1	2,896.96	2,860.00
Maintenance and Services Revenue		810.08	1,019.67
	(A)	<u>17,072.79</u>	<u>19,363.65</u>
Other Operating Income			
Sales of Production Scrap	(B)	85.11	171.81
Gross Revenue	(A)+(B)	17,157.90	19,535.46
Less : Excise Duty		1,628.21	1,652.27
Net Revenue		<u>15,529.69</u>	<u>17,883.19</u>

20.1 Includes for contracts completed in earlier years Rs. 3.15 lacs (Previous Year Rs. 34.91 lacs).



				(Rs. in Lacs)		
Particulars	Ref.	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015			
21 OTHER INCOME						
Interest Income		928.45	535.80			
Rent & Licence Fees		134.36	180.92			
Royalty Received		30.00	30.00			
Dividend Income from Non-Current Investments (Other than Trade)		71.49	31.85			
Sundry Balances Written Back		60.44	80.55			
Profit on Sale of Fixed Assets		35.00	19.55			
Reversal of Provisions		60.28	-			
Inter Corporate Deposits earlier written off, now recovered		39.10	75.00			
Miscellaneous Income		14.16	40.80			
		<u>1,373.28</u>	<u>994.47</u>			
22 COST OF MATERIALS CONSUMED						
Raw Materials Consumed	28.2.1					
Copper, Wires & Sections		6,017.91	5,480.75			
Core		3,321.61	2,874.30			
Others		2,899.97	5,150.20			
		<u>12,239.49</u>	<u>13,505.25</u>			
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE						
Closing Stock						
Finished Goods		11.64	18.05			
Work-in-Progress	23.1 & 28.2.2	2,514.70	1,761.82			
Stock-in-Trade		8.23	17.59			
		<u>2,534.57</u>	<u>1,797.46</u>			
Less:						
Opening Stock						
Finished Goods		18.05	10.07			
Work-in-Progress	23.1	1,761.83	2,177.90			
Stock-in-Trade		17.59	22.91			
		<u>1,797.47</u>	<u>2,210.88</u>			
			-			
Decrease / (Increase) in Stock		<u>(737.10)</u>	<u>413.42</u>			
23.1 Work in progress includes						
		31.03.2016	31.03.2015	31.03.2014		
Transformers		1,920.33	1,181.36	1,637.37		
Elevators		594.38	580.47	540.53		
		<u>2,514.71</u>	<u>1,761.82</u>	<u>2,177.90</u>		
24 EMPLOYEE BENEFIT EXPENSES						
Salaries and Wages		1,784.38	1,454.84			
Contribution to Provident and Others Funds		194.23	205.35			
Workmen and Staff Welfare Expenses		95.40	83.82			
		<u>2,074.01</u>	<u>1,744.01</u>			
25 FINANCE COSTS						
Interest Expense	25.1	189.78	206.43			
Other Borrowing Cost		7.43	9.43			
		<u>197.21</u>	<u>215.86</u>			
25.1 Interest Expense includes interest of NIL (Previous Year Rs.15.48 lacs) which relates to previous year.						

				(Rs. in Lacs)	
Particulars	Ref.	1st April, 2015 to 31st March, 2016	1st April, 2014 to 31st March, 2015		
26 Depreciation & Amortisation Exp.					
Depreciation & Amortisation Exp.		215.62	294.74		
Less: Transferred to General Reserve (Gross of Tax)		-	30.25		
		<u>215.62</u>	<u>264.49</u>		
27 OTHER EXPENSES					
Stores and Spare Parts Consumed	28.2.3	455.92	369.80		
Processing & Material Handling Expenses		788.16	773.38		
Freight outwards, Transport and Octroi Expenses		-	21.65		
Impairment of Fixed Assets		40.34	-		
Power & Fuel Expenses		215.88	217.01		
Rent		85.43	62.47		
Rates and Taxes		14.09	14.25		
Auditor's Remuneration	27.1	5.34	5.00		
Repair and Maintenance:					
Buildings		60.47	48.12		
Plant and Machinery		44.18	33.77		
Others		60.45	67.96		
Commission on Sales		37.28	32.74		
Insurance		12.77	9.92		
Excise Duty on Increase/(Decrease) of Stock		39.90	35.30		
Legal & Professional Charges	27.2	81.49	111.24		
Travelling & Conveyance Expenses	27.3	231.74	220.28		
Bank Charges		118.46	116.79		
After Sales Services		-	58.13		
Impulse & Short Circuit Charges		8.71	104.93		
Debt, Advance & other debit balance Written off		791.91	189.69		
Provision For Doubtful Debts		111.15	-		
Loss on Sale of current investments		80.78	-		
Contractual Deductions / Recoveries by Customers		142.92	320.48		
Directors Sitting Fees		1.47	1.29		
Miscellaneous Expenses	27.4	267.11	254.24		
		<u>3,695.95</u>	<u>3,068.44</u>		
27.1 Payment to Statutory Auditors :					
i) Audit Fee		2.25	2.00		
ii) Quarterly review of accounts		1.50	1.70		
iii) Reimbursement of Expenses		1.00	1.30		
iv) Certification		0.59	-		
27.2 Includes Rs. 3.50 Lacs (Previous Year Rs. 3.50 Lacs) to a firm in which a director is partner.					
27.3 Includes Directors' Travelling Rs. 22.36 Lacs (Previous Year Rs. 43.21 Lacs).					
27.4 Prior Period Expenses Rs. 5.27 Lacs (Previous Year Nil)					
28 Exceptional Items					
28.1 Profit/(Loss) on Sale of Immovable Property		1,085.60	34.83		
28.2 Write Down of Inventories to Net Realizable Value		-	-		
28.2.1 Raw Material		(150.49)	-		
28.2.2 Work-in-Progress		(170.40)	-		
28.2.3 Stores and Spare Parts		(3.43)	-		
28.3 Retrenchment compensation & Litigation Settlement		-	(94.00)		
28.4 Profit/(Loss) on Sale of Non Current Investments (other than Trade)		41.81	510.67		
		<u>803.09</u>	<u>451.50</u>		



NOTES ON ACCOUNTS

29 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

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

c. Use of Accounting Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires judgements estimates and assumptions to be made 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. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized.

d. Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, twelve months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

e. 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.

f. Depreciation and Amortization

(i) Tangible Assets

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

(ii) Intangible Assets

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

g. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit & Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. An impairment loss recognised on an asset is reversed when the conditions warranting impairment provision no longer exist.

h. 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 Non-current Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current 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 Non-current Investments.

i. 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.

j. 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.

Income Distributed by Venture Capital Fund

Revenue received from Investments made in Venture Capital Funds is recognized on actual receipt basis and are shown in respective heads of Income in Statement of Profit and Loss.

k. 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.

l. 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 term, 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.

m. Retirement & Other Benefits

- (i) Retirement benefits 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.

n. Income Taxes

Tax expense comprises current and deferred tax. Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with Income tax Act, 1961. Deferred 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.

a. 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 inter-segment 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.

p. 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.

q. 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 except those disclosed elsewhere are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

r. Cash and Cash Equivalents

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

s. Financial Derivatives Transactions

In respect of derivative contracts, premium paid, gains/loss on settlement & losses on restatement are recognised in Statement of Profit & Loss.

30 Other Notes on Accounts

30.1 Commitments & Contingent Liabilities :

	(Rs. in Lacs)	
	2015-16	2014-15
(a) Contingent liabilities not provided for in respect of :		
Claims against the Company not acknowledged as debts, are as given below :		
(i) Excise Duty & Service Tax	8.17	6.99
(ii) Sales Tax / VAT / Work Contract Tax etc.	106.68	106.68
Provision of Rs. 25 Lacs (Previous year Rs. 25 Lacs) made in an earlier year is being carried forward under the head "Provision for contingencies."		
(iii) Cess & Others	0.60	21.92
(b) Other Claims :		
Other claims against the Company not acknowledged as debts, are as given below** :		
Labour Cases	2.00***	2.00***
Demands raised by Provident Fund / Employee State Insurance department	1.55***	1.55***
Other Claims	31.55***	34.95***

** The Management feels that the Company has a good chance of success in above mentioned cases hence no provision there against 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.

30.2 Segment Information

(a) Business Segments:

As of March 31, 2016, there are two business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Meter, Transformer and Switchgear) and Elevator. 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, manufactures and supplies power and distributes transformers and switchgear.

Elevator Division manufactures equipments/ components of elevators for execution of jobs for erection and installation and also for supplies to other parties in the market.

(b) Geographical Segments:

Since the Company does not exports and 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, 2016 and March 31, 2015 and certain assets and liability information regarding business segments at March 31, 2016 and March 31, 2015.



(d) Segment Information Disclosure:

(Rs. in Lacs)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue								
External Turnover (Net)	11,381.77	13,977.66	4,147.92	3,886.43	-	19.10	15,529.69	17,883.19
Other Income	148.76	87.24	18.22	45.07	-	7.88	166.98	140.19
Total Income	11,530.54	14,064.91	4,166.14	3,931.50			15,696.67	18,023.38
Results								
Segment results Profit/(Loss)	(692.88)	(285.28)	(601.08)	(136.53)	-	12.99	(1,293.96)	(408.82)
Unallocated Corporate Income (Net)							628.27	220.93
Operating Profit/(Loss)							(665.69)	(187.90)
Less:								
Finance Cost							197.21	215.86
Current Income Tax							-	-
Deferred Tax Charge/ (Credit)							50.04	(51.13)
Exceptional Items							(803.09)	(451.50)
Profit from Ordinary Activities							(109.85)	98.87
Other Information								
Segment Assets	9,271.31	7,916.96	3,430.19	3,446.50	-	1.42	12,701.50	11,364.88
Unallocated Corporate Assets							11,781.94	10,898.45
Total Assets							24,483.44	22,263.33
Segment Liabilities	6,820.48	4,813.55	2,386.51	2,003.27	-	64.81	9,206.99	6,881.63
Unallocated Corporate Liabilities							1,215.12	1,210.53
Total Liabilities							10,422.10	8,092.16
Capital Expenditure	103.58	36.61	58.50	17.01	-	-	162.08	53.62
Corporate Office Capital Expenditure							2.01	41.11
Total Capital Expenditure							164.09	94.73
Depreciation & Amortisation	166.29	214.12	40.86	34.33	-	-	207.15	248.45
Unallocated Depreciation	-	-	-	-			8.47	46.28
Total Depreciation							215.62	294.73
Other Non Cash Expenses								
Provision for Doubtful Debts	-	50.83	111.15	-	-	-	111.15	50.83
Impairment of Assets	40.34	-	-	-	-	-	40.34	-

30.3 Basic and diluted Earning per share

		2015-16	2014-15
Profit/(Loss) for the year	Rs. in Lacs	(109.85)	98.87
Equity Shares Outstanding at the beginning of the year	Numbers	7725925	7725925
Equity Shares Outstanding at the year end	Numbers	7725925	7725925
Weighted Average Number of equity shares	Numbers	7725925	7725925
Earnings Per Share	(Rs.)	(1.42)	1.28

30.4 Lease Transactions

In case of assets taken on lease

Operating Lease:

Lease payments for the year - 0.26

Sub Lease :

Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the period - 13.83

30.5 Disclosure under AS- 15 (Employees' Benefit)

The Company has a defined benefit gratuity plan and leave encashment 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 and every employee who discontinues his services to the company gets leave encashment (last drawn salary). The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :-

(Rs. in Lacs)

Particulars	Gratuity		Leave	
	2015-16	2014-15	2015-16	2014-15
(a) Statement of Profit and Loss:				
Net employee benefit expense (recognised in Employee Cost)				
Current service cost	41.05	38.17	35.63	33.13
Interest cost on benefit obligation	24.56	21.01	4.21	3.46
Expected return on plan assets	(32.79)	(27.66)	-	-
Net actuarial(gain) / loss recognised in the year	21.63	47.91	(7.53)	(9.11)
Net benefit expense	54.45	79.43	32.31	27.48
(b) Actual return on plan assets	29.02	23.86	-	-
(c) Balance Sheet:				
Defined benefit obligation	(340.84)	(364.28)	70.30	68.65
Fair value of plan assets	393.30	364.28	-	-
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	52.46	-	70.30	68.65
(d) Changes in the present value of the defined benefit obligation are as follows:				
Opening defined benefit obligation	364.28	274.17	68.65	47.08
Interest cost	24.56	21.01	4.21	3.46
Current service cost	41.05	38.17	35.63	33.12
Benefits paid	(106.91)	(13.18)	(30.66)	(5.90)
Actuarial (gains) / losses on obligation	17.86	44.11	(7.53)	(9.11)
Closing defined benefit obligation	340.84	364.28	70.30	68.65
(e) Changes in the fair value of plan assets are as follows:				
Opening fair value of plan assets	364.28	274.17	-	-
Expected return	32.79	27.66	-	-
Contributions by employer	-	79.43	-	-
Benefits paid	-	(13.18)	-	-
Actuarial gains / (losses)	(3.77)	(3.80)	-	-
Closing fair value of plan assets	393.30	364.28	-	-
(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:				
	2015-16	2014-15		
	%	%		
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	7.90%	7.85%		
Expected rate of return on any plan assets	9%	9%		
Salary Rise	6%	6%		
Employees Turnover	5%	5%		
Mortality Rate (Table)	IAL 2006-08	IAL 2006-08		
	Ultimate	Ultimate		
Remaining Working Life (Years)	20.78	20.99		

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.



Particulars	(Rs. in Lacs)			
	Gratuity		Leave	
	2015-16	2014-15	2015-16	2014-15
(h) Amounts for the current period is as follows:				
Defined benefit obligation	340.84	364.28	70.30	68.65
Plan assets	393.30	364.28	-	-
Surplus / (Deficit)	52.46	-	(70.30)	(68.65)

(i) Disclosure as required under Para 120(n)	2015-16	2014-15	2013-14	2012-13	2011-12
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The amounts for the current and previous four periods in respect of gratuity are as follows :

Present Value of defined benefit obligation	340.84	364.28	274.17	239.24	189.70
Fair value of plan assets	393.30	364.28	274.17	239.24	160.12
Surplus / (Deficit) in the plan	52.46	-	-	-	(29.58)
Experience adjustments on plan Liabilities (Gain) / Loss	17.86	44.11	(6.75)	22.16	6.22
Experience adjustments on plan assets Gain / (Loss)	(3.77)	(3.80)	(9.08)	(0.40)	(0.53)

The amounts for the current and previous four periods in respect of leave are as follows:

Present Value of defined benefit obligation	70.30	68.65	47.08	44.03	37.97
Fair value of plan assets	-	-	-	-	-
Surplus / (Deficit) in the plan	(70.30)	(68.65)	(47.08)	(44.03)	(37.97)
Experience adjustments on plan Liabilities Gain / (Loss)	7.53	9.11	19.65	13.12	15.74
Experience adjustments on plan assets Gain / (Loss)	-	-	-	-	-

30.6 In the financial year 2007-08, 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.

30.7 Related Party Disclosure :

Related party Disclosure as identified by the management in accordance with the Accounting Standard -18 issued under Section 133 of the Companies Act, 2013.

I. Names of Related Parties

A. Key Management Personnel

Mr. Prakash Kumar Mohta - Chairman & Managing Director

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

During the Year - NIL

II. Transactions with Key Management Personnel are as under: (Rs. in Lacs)

Nature of Transactions	2015-16	2014-15
Salary/Perquisites	156.25*	132.50*
Provident Fund	18.75	14.26
Dividend Paid during the year	1.35	0.97

* Excluding Gratuity and Leave Encashment provision on actuarial basis.

30.8 Value of Raw materials, Spare Parts and components consumed (As certified) :

(Rs. in Lacs)

	2015-16		2014-15	
	Value	%	Value	%
Raw Material				
Imported	318.66	2.60	159.53	1.18
Indigenous	11920.82	97.40	13345.72	98.82
Total	12239.49	100.00	13505.25	100.00
Stores & Spare Parts				
Imported	33.94	7.45	8.32	2.25
Indigenous	421.98	92.55	361.48	97.75
Total	455.92	100.00	369.80	100.00

30.9 Other Informations :

(Rs. in Lacs)

	2015-16	2014-15
(a) C.I.F. Value of Imports (On Accrual basis)		
Raw Material (including High Sea Purchase)	301.73	169.56
Components, Spare Parts and Store etc.	33.94	8.32
(b) Expenditure in Foreign Currency (Including for Project) :		
Travelling	7.89	19.69

30.10 Previous year figures has been reclassified / regrouped to confirm current year figures.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N
Sd/-
(Vinod Sahni)
Partner
Membership No. 086666
Place : New Delhi
Dated: 12th May, 2016

For and on behalf of the Board of Directors

Sd/- (Prakash Kumar Mohta) Chairman & Managing Director Din : 00191299	Sd/- (Vikram Prakash) Director Din : 00027732	Sd/- (Rajat Sharma) Chief Financial Officer	Sd/- (Piyush Agarwal) Company Secretary
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ECE INDUSTRIES LIMITED

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

CIN : L31500DL1945PLC008279

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

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/We hereby record my/our presence at the 70th Annual General Meeting of the Company being held at "The Executive Club", 439 Sahoopur, Fatehpur Beri, New Delhi-110074 on Tuesday, the 27th September, 2016, at 04.30 P.M.

(Signature of Member/Proxy)

NOTE : Please fill up this attendanced 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.

PROXY FORM

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

CIN : L31500DL1945PLC008279
Name of the Company : ECE Industries Ltd.
Registered Office : ECE House, 28-A, Kasturba Gandhi Marg, New Delhi-110001

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of shares of above named company hereby appoint :

- 1) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- 2) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- 3) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company to be held on Tuesday, the 27th September, 2016 at 4.30 P.M. at "The Executive Club", 439, Sahoopur, Fatehpur Beri, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

P.T.O



Resolution No.	RESOLUTIONS	Optional*	
		For	Against
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2	Re-appointment of Mrs. Moulishree Gani, who retires by rotation.		
3	Ratification of appointment & fixing remuneration of VSD & Associates, Chartered Accountants as Statutory Auditors.		
4	Appointment of Mr. Shibhan Ganju as an Independent Director		
5	Approval of Investment Limits upto Rs.500 Crores		
6	Approval of Remuneration of the Cost Auditors.		

Signed thisday of2016

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

(2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 70th Annual General Meeting.

*(3) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

(4) Please complete all details including details of member(s) in above box before submission.

FINANCIALS FOR THE LAST TEN YEARS

Sl. Particulars No.	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	
1 Gross Turnover	Rs. in lacs	17157.90	19535.46	12243.71	14832.06	20816.57	20176.66	15930.93	23671.31	21305.63	24369.01
2 Gross Earnings	Rs. in lacs	155.81	312.23	261.38	447.03	585.17	383.77	1063.20	942.13	2818.44	968.00
3 Taxes [Charge / (Credit)]	Rs. in lacs	50.04	(51.13)	8.06	130.25	97.48	45.87	136.31	230.00	872.29	108.45
4 Cash Flow from Operations	Rs. in lacs	105.77	363.36	253.32	316.78	487.69	337.90	926.89	712.13	1946.15	859.55
5 Depreciation	Rs. in lacs	215.62	264.49	235.54	222.73	207.36	128.83	114.70	110.48	130.47	113.07
6 Net Earnings	Rs. in lacs	(109.85)	98.87	17.78	94.05	280.33	209.07	812.19	601.65	1815.68	746.48
7 Equity Share Capital	Rs. in lacs	772.76	772.76	772.76	772.96	790.30	877.80	438.98	438.98	438.98	438.98
8 Earning per Share	Rupees	(1.42)	1.28	0.23	1.20	3.32	2.88	18.51	13.71	41.38	17.01
9 Net Worth per Equity Share	Rupees	182.00	183.42	182.52	182.40	180.13	173.25	242.32	224.39	213.61	175.30
10 Total Dividend	Rs. in lacs	-	7.73	7.73	19.31	39.38	21.94	21.94	109.70	109.70	109.70
11 Corporate Dividend Tax	Rs. in lacs	-	1.57	1.31	3.28	6.39	3.64	3.64	18.64	18.64	18.64
12 Dividend per Equity Share	Rupees	-	0.10	0.10	0.25	0.50	0.25	0.25	2.50	2.50	2.50
13 Net Block	Rs. in lacs	1922.93	2184.56	2388.21	2537.75	2780.60	2414.96	1458.90	1282.78	1567.51	1211.82
14 Reserves & Surplus	Rs. in lacs	13288.55	13398.40	13328.94	13322.46	13442.46	14327.14	10194.23	9407.62	9062.65	7253.11
15 Debt/ Equity Ratio	-	-	-	-	-	-	-	-	0.01	0.02	0.04



Registered Office :

"ECE House" 28-A, Kasturba Gandhi Marg

New Delhi - 110001

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