

71st
ANNUAL REPORT
2016-17



ECE INDUSTRIES LIMITED



DIRECTORS

Mr. Prakash Kumar Mohta - CMD
Mr. Sakate Khaitan
Mrs. Moulishree Gani

Mr. Vikram Prakash (upto 09.08.2017)
Mr. Mahendra Kumar Jajoo
Mr. Shiban Ganju

EXECUTIVES

Mr. Rajat Sharma
Mr. Manish Sikka
Mr. H.M. Mot
Mr. P.K. Agarwal
Mr. Piyush Agarwal

President & CFO
President - (Elevator Division-Ghaziabad)
President - (Transformer Division-Hyderabad)
President - (Transformer Division-Sonepat)
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
GHAZIABAD
HYDERABAD

Transformers
Elevators & Other Components
Transformers

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NOTICE**TO THE SHAREHOLDERS**

Notice is hereby given that the Seventy first Annual General Meeting of the members of ECE Industries Limited will be held at "The Executive Club", 439, Sahoorpur, Fatehpur Beri, New Delhi - 110074 on Friday, the 29th day of September, 2017 at 12:30 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, 2017 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Sakate Khaitan (DIN: 01248200) who retires by rotation and being eligible offer himself for re-appointment.
4. 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

5. To approve Appointment and Remuneration payable to Managing Director 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 pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and are hereby accorded to re-appoint Mr. Prakash Kumar Mohta (DIN: 00191299) as Managing Director of the Company for a period of three years, not liable to retire by rotation, with effect from November 01, 2017 at a remuneration and terms and conditions as set out in Explanatory Statement."

"RESOLVED FURTHER THAT the terms and conditions relating to the re-appointment and remuneration of Mr. Prakash Kumar Mohta as set out in the Explanatory Statement be and are hereby approved in accordance with Schedule-V of the Companies Act, 2013 and rules made thereunder."

"RESOLVED FURTHER THAT subject to the minimum remuneration as stated in the Explanatory Statement, the total remuneration payable to Mr. Prakash Kumar Mohta shall not exceed 5% of the net profits of the company in any financial year in terms of Section 197 & 198 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the consent of the shareholders of the Company be and are hereby accorded that in case of no profits or inadequacy of profits in any financial year, Mr. Prakash Kumar Mohta shall be paid the remuneration as set out in the Explanatory Statement by way of salary and perquisites as the minimum remuneration permissible in terms of Section 200 and Schedule V of the Companies Act, 2013 with the prior approval of Central Government".

"RESOLVED FURTHER THAT till the fresh approval of the Central Government is received; Mr. Prakash Kumar Mohta shall be paid such remuneration till such period as approved earlier by the Central Govt. and after expiry of the said period, the remuneration permissible under Schedule-V of the Companies Act, 2013 without the prior approval of Central Government. After receipt of the fresh approval of Central Government, the new remuneration shall be payable accordingly".

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Prakash Kumar Mohta, Managing Director, including the components of remuneration payable to him subject to the overall limit as set out in the Explanatory Statement and duly approved by the shareholders of the Company."



"RESOLVED FURTHER THAT Mr. Vikram Prakash, Director or Mr. Shibhan Ganju, Director or Mr. Rajat Sharma, President & CFO or Mr. Piyush Agarwal, Secretary of the company be and are hereby authorized severally to sign, execute and file the required e-forms with the Registrar of Companies and Ministry of Corporate Affairs, Government of India and to do all such acts, deeds and things to give effect to the above resolution".

6. To approve Alteration in Articles of Association of the Company and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made thereunder (including any amendment, re-enactment or statutory modification thereof), the new set of Articles of Association be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Prakash Kumar Mohta, Managing Director or Mr. Rajat Sharma, President & CFO or Mr. Piyush Agarwal, Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, including delegate such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.

RESOLVED FURTHER THAT Mr. Prakash Kumar Mohta, Managing Director or Mr. Rajat Sharma, President & CFO or Mr. Piyush Agarwal, Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies / Ministry of Corporate Affairs), in connection with the adoption of the new set of Articles of Association of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

RESOLVED FURTHER THAT Mr. Prakash Kumar Mohta, Managing Director or Mr. Rajat Sharma, President & CFO or Mr. Piyush Agarwal, Secretary of the Company be and are hereby severally authorized to issue/ provide certified true copies of the above resolutions on behalf of the Company."

7. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2018 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 Accountant 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, 2018 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.50,000/- (Rupees Fifty thousand only).

By Order of the Board

Sd/-

Place : New Delhi

Dated: 4th August, 2017

(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 23.09.2017 to 29.09.2017 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 2008-2009 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, 2010 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.
- (c) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 27th September, 2016, being the date of last Annual General Meeting, on the website of the Company www.eceindustriesltd.com and also on the website of Ministry of Corporate Affairs.

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
31.03.2010	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 71st 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 31.03.2017 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 71st 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 71st 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 71st Annual General Meeting and the Annual Report for the financial period ended on 31.03.2017 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	:	Mr. Sakate Khaitan
Date of Birth	:	16.02.1972
Date of appointment	:	27.05.2008
Qualification/ Profession	:	Bachelor of Law Member - Bar Council of India and Incorporated Law Society of India
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	:	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 71st 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 71st 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 25th September, 2017 (09.30 am) and ends on 28th September, 2017 (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 22nd September, 2017, 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 22nd September, 2017.
- 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. 22nd September, 2017, 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 two 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/-

Place : New Delhi

Dated: 4th August, 2017

(Piyush Agarwal)
Company Secretary

ANNEXURE TO THE NOTICE

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

Item No.5:

The tenure of Mr. Prakash Kumar Mohta in the capacity of Managing Director shall expire on 31.10.2017.

Considering his experience and ability commensurate with the requirement of the Company, it is proposed to re-appoint him as Managing Director of the Company w.e.f. 01.11.2017 for a further period of three years. Mr. Prakash Kumar Mohta will be managing the affairs of the Company subject to superintendence, control and directions of the Board of Directors of the Company and shall not be liable to retire by rotation.

The total remuneration payable to Mr. Prakash Kumar Mohta in any financial year shall not exceed 5% of the net profits as computed in terms of Section 197 and 198 of the Companies Act, 2013 and rules made thereunder.

However, in the event of loss or inadequacy of profits in the company in any financial year, Mr. Prakash Kumar Mohta shall be paid remuneration by way of salary and perquisite as minimum remuneration in accordance with the provisions of Schedule V of the Companies Act, 2013 as well as other applicable provisions, if any, with the prior approval of Central Government. In view of experience of Mr. Prakash Kumar Mohta, the salary pattern of the Managing Director(s) in similar with other companies and challenging task ahead, the remuneration payable to Mr. Prakash Kumar Mohta by way of salary and perquisites is set out as below :-

- a) Basic Salary : Rs. 16,65,000/- (Rs. Sixteen Lacs & sixty five thousand only) per month. He should be further given an increment @ 10% on completion of each year.
- b) Employer's Contribution : 12% of the basic salary.
to Provident Fund.
- c) Gratuity : At a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months.
- d) Leave : 35 days in a year.
- e) Leave Encashment : Encashment of un-availed leave at the end of the tenure.
- f) Leave Travel Allowance : Max. upto One month salary per year
- g) Medical Reimbursement : For Self & family on actual
- h) Provision of Car with Driver in relation to the Company's Business.
- i) Mobile Phone and Telephone at residence (not to be considered as perquisites).

However, till the fresh approval of the Central Government is received; Mr. Prakash Kumar Mohta shall be paid such remuneration till such period as approved earlier by the Central Govt. and after expiry of the said period, the remuneration permissible under Schedule-V of the Companies Act, 2013 without the prior approval of Central Government. After receipt of the fresh approval of Central Government, the new remuneration shall be payable accordingly".



The approval of the shareholders is sought by means of passing the Special Resolution as set out in the notice.

Except Mr. Prakash Kumar Mohta, being an appointee and his relative(s) being the Directors and shareholders of the Company and comprises in the category of relative or person acting in concert, none of the other Director and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed resolution.

The Explanatory statement together with the accompanying notice may be treated as an abstract of terms of appointment and memorandum of interest in respect of appointment of Mr. Prakash Kumar Mohta under Section 190 of the Companies Act, 2013 as well as may also be regarded as a disclosure under SEBI Listing Regulations.

INFORMATION AS REQUIRED UNDER THE PROVISIONS OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION :

1) Nature of Industry:

The Company is into manufacturing industry with its core area of operations in manufacturing the Transformers and Erection & Installation of the Elevators.

2) Date or expected date of commencement of commercial production: 13th June, 1945.

3) Financial performance based on the given indicators:

(Rs. in Lakh)

Particulars	2016-17	2015-16	2014-15
Gross Turnover	29002.45	17157.90	19535.46
Total Expenses	27982.95	17765.87	19319.32
Profit/ (Loss) before tax	3045.68	(59.81)	47.74
Net Worth	16203.76	14061.31	14171.16

4) Export performance:

During the year ended 31.03.2017, Earnings out of Exports were 'Nil'.

5) Foreign investments or collaborations:

As on March 31, 2017, the shareholdings of Overseas Body Corporates in the Company were 0.02%. There are no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEE :

1) Background details:

Mr. Prakash Kumar Mohta, the proposed appointee, holds a Graduate Degree in Commerce and has over 36 years of experience as an Industrialist and in handling the Corporate Affairs efficiently. Presently, he is on the Board of Directors of many Companies. He joined ECE Industries Limited as a Director in January, 2007.

2) Past Remuneration, recognition or awards, job profile and his suitability:

A sum of Rs.201.51 lacs has been paid to Mr. Prakash Kumar Mohta, being the remuneration and Provident / Superannuation Fund as well as the allowable perquisites as per Schedule V of the Companies Act, 2013 for the year ended 31st March, 2017 with the prior sanction of Central Government vide their letter dated 23rd January, 2015.

Mr. Prakash Kumar Mohta has rich experience and deep knowledge about the industry and has immensely contributed to the growth of the Company by his incisive and broad based knowledge of the domestic and international market.

Mr. Prakash Kumar Mohta has taken several initiatives to focus on growth, value addition and cost effectiveness besides overseeing the company's business.

3) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :

The prevalent levels of remuneration in manufacturing industries, in general, and the industry in particular, are higher. Taking into account his strategic role to turn around the Company, the proposed remuneration is below the industry levels and that of comparatively placed companies in India.

4) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

He has pecuniary relationship with the Company in his capacity as a Managing Director and person acting in concert as Promoter.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable items :

Infrastructure sector is a key driver for the country's economy and also your company's growth. The government is taking every possible initiative to boost the infrastructure sector. However, the progress of economic reforms is still slow. In the earlier years several strategic measures were taken to improve the market share of the company's products. Though there was improvement in production and sales, yet there is still burden on the profitability level.

Your company is focusing on designing new products and relying on low technology cost.

IV. DISCLOSURES:

The proposed remuneration package: As detailed in the Resolution and Explanatory Statement.

Item No.6:

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 4th August, 2017, decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.



The draft of the new set of Articles proposed for approval is available for inspection for the members during normal business hours at the registered office of the Company as well as at the website of the Company www.eceindustriesltd.com.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your Directors recommend passing of this resolution by way of a special resolution.

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.

Item No.7:

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 30th May, 2017, 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. 7 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.

Place : New Delhi

Dated: 4th August, 2017

By Order of the Board

Sd/-

(Piyush Agarwal)
Company Secretary

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the Seventy First Annual Report with Audited Accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

Particulars	31.03.2017 (Rs. In Lakh)	31.03.2016 (Rs. In Lakh)
Turnover (Net of Excise Duty)	26,141.98	15,529.69
Profit / (Loss) before Depreciation, Exceptional Items & Tax	111.36	(647.28)
Gain from Exceptional items	3,147.38	803.09
	3,258.74	155.81
Less : Depreciation	213.06	215.62
Profit / (Loss) before Tax	3045.68	(59.81)
Provision for :		
(i) Current Income Tax	592.51	-
(ii) Deferred Tax (Charge) / Credit	431.73	(50.04)
Profit / (Loss) after Tax	2,884.90	(109.85)
Add : Balance Brought Forward	4,412.47	4,523.32
Profit available for Appropriation	7,297.37	4,413.47
Appropriations as under :		
1. Transfer to General Reserve	300.00	1.00
2. Balance in Statement of Profit & Loss carried forward	6,815.15	4,412.47
	7,297.37	4,413.47

REVIEW OF PERFORMANCE AND OUTLOOK

The sales turnover for the current year is Rs.26,141.98 Lakhs against Rs.15,529.69 Lakhs in the previous year. The total gross profit for the year ended 31st March, 2017 comes to Rs.3,258.74 Lakhs (Previous Year Rs. 155.81 Lakhs) inclusive of net gain of Rs.3147.38 Lakhs (Previous year Rs.803.09 Lakhs) shown under the head exceptional items towards income on settlement of old legal Land matter, sale of Fixed assets/ Investments and also loss on provisions made for legal cases initiated against the company. Relevant detailed notes have also been provided on exceptional items separately. After providing Rs.213.06 Lakhs (Previous year Rs.215.62 Lakhs) for depreciation and deferred tax credit of Rs. 431.73 Lakhs (Previous Year Rs.50.04 Lakhs as deferred tax charge), there remains a surplus of Rs.2,884.90 Lakhs (Previous year deficit of Rs.109.85 Lakhs).

Infrastructure sector is a key driver for the country's economy and also your company's growth. The government is taking every possible initiative to boost the infrastructure sector. However, the progress of economic reforms is still slow. Your company is focusing on designing new products and relying on low technology cost. In the earlier years several strategic measures were taken to improve the market share of the company's products. Though there was improvement in production and sales, yet there is still burden on the profitability level.

DIVIDEND

We recommend payment of Dividend for the year 2016-17 @ Rs. 2.50 per share (25%), which will be paid after obtaining your approval in the Annual General Meeting.



BUY-BACK

During the financial year 2016-17, the Company has completed an offer for buy-back to purchase upto 7,00,000 equity shares from open market through Stock Exchange mechanism which kept open since 20th April, 2016 and closed on 14th July, 2016. The Company had purchased 4,37,280 equity shares during the said offer.

VOLUNTARY DELISTING

During the year, your Company has applied to National Stock Exchange of India Limited (NSE) for voluntary delisting of its equity shares in terms of SEBI (Delisting of Equity Shares) Regulations, 2009. An exit opportunity to the public shareholders has already been provided and shareholding of the promoter group has been reached upto 90.23% of the total paid-up equity share capital of the Company as on 31st March, 2017. The final application for delisting has been filed by the Company with NSE. However, reference to an email received from NSE, the NSE has informed to the Company that the disposal of final application for delisting of equity shares has been kept on hold by them until further instructions from the SEBI.

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 30th May, 2017 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 –

- 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.
- 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 2016-17, Mr. Sakate Khaitan, Director of the Company is retiring by rotation and being eligible offer himself for re-appointment.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

There were seven meetings of the Board of Directors and one meeting of the Independent Directors held during the year ended on 31st March, 2017.

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 2016-17 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and 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. Prakash Kumar Mohta, the Managing Director, Mr. Rajat Sharma, CFO and Mr. Piyush Agarwal, Company Secretary as 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, 2017. 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, 2017.

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 27th September, 2016 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, 2018.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2017 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 prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached.

The information as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in the Annexure forming part of the Report. In terms of Section 136(1) of the Act, the report and accounts are being sent to members without the aforesaid Annexure. Any member interested in obtaining a copy of the same, may write to the company.

The aforesaid Annexure is also available for inspection by members at the Registered Office of the company.

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, as amended, 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/-

(Prakash Kumar Mohta)

Managing Director

DIN: 00191299

Sd/-

(Shiban Ganju)

Director

DIN: 03434994

Place : New Delhi

Dated : 30th May, 2017

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, continue using improvised Vacuum Pumps and also by improving degree of vacuum the total heating time is reduced resulting into good saving of Energy. Further, by improving the efficiency of heat run test of transformer and consequent reduction in time, there has being appreciable 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 considerable energy has been introduced in the market few years back. The range of capacity and speed has been extended further during the year and several lifts are now running.

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. Further, by providing tank shielding as per latest technology, the stray losses are minimized thereby getting proper reduction in the total loss of 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 two year have been well absorbed in the market. Lifts with speeds of 1.75 mps have been commissioned during the year. Design of 2 & 2.5 mps speed lifts has been taken up and these lifts are expected to be commissioned during the next year. Also design of low speed and high capacity Gearless Goods and Automobile lifts have been completed.

2. Technology Absorption, Adaptation & Renovation

In transformer manufacturing, instead of normal paper copper conductors, we are now 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.

Machine room less lifts using Permanent Magnet Synchronous Lifts range of speed and capacity has been extended.

Lift control system using serial communication was completed and several lifts have been successfully commissioned.

A few of the Legacy control systems have been phased out and state of the art VVVF technology in combination with new control systems has been introduced in the geared lift segment.

Several lifts with older technology have been modernized/upgraded successfully and the company is aggressively pursuing educating the customer in adopting new technologies.

The automatic door control system has been upgraded using a compact PMSM door motor with VVVF technology.

C. Foreign Exchange Earnings & Outgo

The information on Foreign Exchange earnings & outgo contained in Note No. 30.12(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 2016-17 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (Rs. in Lakh)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/KMP to median remuneration of employee
1	Mr. Prakash Kumar Mohta (Managing Director)	201.51	15.15	80.28:1
2	Mr. Vikram Prakash (Director)	0.76	18.75	0.30:1
3	Mr. Mahendra Kumar Jajoo (Director)	0.64	166.67	0.25:1
4	Mr. Sakate Khaitan (Director)	0.05	-	0.02:1
5	Mrs. Moulishree Gani (Director)	0.05	-	0.02:1
6	Mr. Shiban Ganju (Director)	0.37	85.00	0.15:1
7	Mr. Rajat Sharma (Chief Financial Officer)	35.67	20.22	14.21:1
8	Mr. Piyush Agarwal (Company Secretary)	8.73	11.49	3.48:1

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 2.51 Lakhs.
- (iii) In the financial year, there was an increase of 17.29% in the median remuneration of employees, calculated after induction of new appointments also.
- (iv) There were 519 permanent employees on the rolls of Company as on March 31, 2017.
- (v) Average percentage increase made in the salaries of employees other than the key managerial personnel in the financial year i.e. 2016-17 was 9.38% (calculated after induction of new appointments also) whereas the increase in the key managerial remuneration for the same financial year was 5.71%.
- (vi) 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
- (vii) 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, 2017
[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 2017, 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 2017 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



- (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: 30.05.2017

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 and forms an integral part of this report.

ANNEXURE - A

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: 30.05.2017

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, 2017

[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	77.07
2	Elevators	28161	22.93

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 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	1366896	-	1366896	17.69	2414315	-	2414315	33.12	15.43
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	3500333	-	3500333	45.31	4162585	-	4162585	57.11	11.80
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB Total:(A)(1)	4867229	-	4867229	63.00	6576900	-	6576900	90.23	27.23
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)	4867229	-	4867229	63.00	6576900	-	6576900	90.23	27.23
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	909	-	909	0.01	909	-	909	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	211500	-	211500	2.74	-	-	-	-	(2.74)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	212409	-	212409	2.75	909	-	909	0.01	(2.74)
2) Non Institutions									
a) Bodies Corporates	1516858	3951	1520809	19.69	135935	3933	139868	1.92	(17.77)
b) Individuals :									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	614774	162707	777481	10.06	356790	150142	506932	6.96	(3.10)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	270110	-	270110	3.50	46180	-	46180	0.63	(2.87)
c) Others :									
NRI/OCB	69364	1991	71355	0.92	13964	1991	15955	0.22	(0.70)
Clearing Member	6382	-	6382	0.08	1901	-	1901	0.03	(0.05)
Trust	150	-	150	-	-	-	-	-	-
SUB TOTAL(B)(2)	2477638	168649	2646287	34.25	554770	156066	710836	9.76	(24.49)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2690047	168649	2858696	37.00	555679	156066	711745	9.77	(27.23)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	7557276	168649	7725925	100	7132579	156066	7288645	100	-



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% 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	Kumar Mangalam Birla	6750	0.09	-	6750	0.09	-	-
2	Jayashree Mohta	11688	0.15	-	11688	0.16	-	0.01
3	Sakate Khaitan	200	-	-	200	-	-	-
4	Prakash Kumar Mohta	1348158	17.45	-	1524182	20.92	-	3.47
5	Essel Mining & Industries Limited	85730	1.11	-	85730	1.18	-	0.07
6	Bhiragacha Finance Company Private Limited	255482	3.31	-	917734	12.59	-	9.28
7	Jayashree Finvest Private Limited	449124	5.81	-	449124	6.16	-	0.35
8	Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Company Private Limited)	2709997	35.08	-	2709997	37.18	-	2.10
9	Moulishree Gani	100	0.00	-	174379	2.39	-	2.39
10	Prakash Kumar Mohta HUF	-	-	-	174279	2.39	-	2.39
11	Maitreyi Kandoi	-	-	-	174279	2.39	-	2.39
12	Pratibha Khaitan	-	-	-	174279	2.39	-	2.39
13	Jayantika Jatia	-	-	-	174279	2.39	-	2.39
	Total	4867229	63.00	-	6576900	90.23	-	27.23

*During the year 2016-17, shareholding of Promoter Group has been increased and reached upto 90.23% of the total paid-up equity share capital of the Company due to an open offer for voluntary delisting of Company's shares from National Stock Exchange of India Limited (NSE).

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2016)		Purchase/ (Sale) during the year		Shareholding at the end of the year (as on 31.03.2017)	
		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	Jayashree Mohta*	11688	0.15	-	0.01	11688	0.16
2	Prakash Kumar Mohta	1348158	17.45	176024	3.47	1524182	20.92
3	Essel Mining & Industries Limited*	85730	1.11	-	0.07	85730	1.18
4	Bhiragacha Finance Company Private Limited	255482	3.31	662252	9.28	917734	12.59
5	Jayashree Finvest Private Limited*	449124	5.81	-	0.35	449124	6.16
6	Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Company Private Limited)*	2709997	35.08	-	2.10	2709997	37.18
7	Moulisree Gani	100	0.00	174279	2.39	174379	2.39
8	Prakash Kumar Mohta (HUF)	-	-	174279	2.39	174279	2.39
9	Maitreyi Kandoi	-	-	174279	2.39	174279	2.39
10	Pratibha Khaitan	-	-	174279	2.39	174279	2.39
11	Jayantika Jatia	-	-	174279	2.39	174279	2.39
	Total	4867229	63.00	1709671	27.23	6576900	90.23

*During the year 2016-17, no share was acquired by the shareholder; however, percentage of shareholding to the total paid-up equity share capital was changed due to the completion of an offer for buy-back of equity shares by the Company and consequently reduction of total paid-up equity share capital of the Company.

(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 01.04.2016)		Date wise Increase / (Decrease) in shareholding during the year	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)		Shareholding at the end of the year (As on 31.03.2017)	
		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	Globe Capital market Limited	26071	0.37	82884 (31.03.2017)	108955	1.49	108955	1.49
2	Veena K Jagwani	25380	0.35	-	25380	0.35	25380	0.35
3	Shew Bhagwan Saboo	20800	0.29	-	20800	0.29	20800	0.29
4	Ravi Janwaha Kalro	9701	0.13	-	9701	0.13	9701	0.13
5	Jawahar Kishindas Kalro	9700	0.13	-	9700	0.13	9700	0.13
6	Rajshree Birla	7281	0.10	-	7281	0.10	7281	0.10
7	Mahendra Girdharilal	6822	0.09	-	6822	0.09	6822	0.09
8	Babulal Rupchand Shah	5000	0.07	-	5000	0.07	5000	0.07
9	Naushir Dara Anklesaria	4497	0.62	-	4497	0.62	4497	0.62
10	Vinita Jain	4006	0.06	-	4006	0.06	4006	0.06



(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2016)		Date wise Increase / (Decrease) in shareholding during the year	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)		Shareholding at the end of the year (As on 31.03.2017)	
		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	176024 (3.47%)	1524182	20.92	1524182	20.92
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	Moulisree Gani	100	0.00	174279 (2.39%)	174379	2.39	174379	2.39
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 Lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1217.38	412.38	-	1629.76
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1217.38	412.38	-	1629.76
Change in Indebtedness during the financial year				
• Addition	587.29	56.25	-	643.54
• Reduction	(8.26)	-	-	(8.26)
Net Change	579.03	56.25	-	635.28
Indebtedness at the end of the financial year				
(i) Principal Amount	1796.41	468.63	-	2265.04
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1796.41	468.63	-	2265.04

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Mr. Prakash Kumar Mohta

(Rs. in Lakh)

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.	180.88
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.39
	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),	20.63
	Superannuation (Exempted Portion),	-
	Medical Reimbursement (Exempted)	-
	Total Remuneration	201.90
	Ceiling as per the Act (Central Govt. Approval)	201.90

*The remuneration paid to Mr. P.K. Mohta is 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.

B. Remuneration to other Directors

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vikram Prakash	Mr. Sakate Khaitan	Mr. M.K. Jajoo	Mrs. Moulisree Gani	Mr. Shiban Ganju	
1	Non-executive Directors						
	• Fee for attending Board/ Committee Meetings	76000	5000	64000	5000	37000	187000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total	76000	5000	64000	5000	37000	187000



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

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.	31.57	8.07	39.64
	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),	2.45	0.51	2.96
	Superannuation (Exempted Portion),	1.50	-	1.50
	Medical Reimbursement (Exempted)	0.15	0.15	0.30
	Total Remuneration	35.67	8.73	44.40

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 77.07% and 22.93% of the gross turnover respectively in the year 2016-17.

A. Business Segment – Equipment for Power Transmission and Distribution

(Rs. in Lakh)

Particulars	2016-17	2015-16	% Change (Negative)/Positive
Turnover (Net of Excise Duty)	20146.35	11381.77	77.01
Operating Profit/(Loss) (after depreciation and before interest & exceptional items)	65.09	(692.88)	109.39

B. Business Segment – Elevators

(Rs. In lakh)

Particulars	2016-17	2015-16	% Change (Negative)/Positive
Turnover (Net of Excise Duty)	5,995.63	4147.92	44.47
Operating Profit/(Loss) (after depreciation and before interest & exceptional items)	(639.22)	(601.08)	(6.35)

OUTLOOK

Your company is focusing on designing new products and relying on low technology cost. In the earlier years several strategic measures were taken to improve the market share of the company's products. Though there was improvement in production and sales, yet there is still burden on the profitability level.

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 Lakh)

Highlights	2016-17	2015-16
Turnover (Net of Excise Duty)	26141.98	15529.69
Profit / (Loss) before Depreciation, Exceptional Items and Tax	111.36	(647.28)
Gain from Exceptional Items	3147.38	803.09
Depreciation	213.06	215.62
Profit before Tax	3045.68	(59.81)
Income Tax including Deferred Tax (Charge) / Credit	431.73	(50.04)
Net Profit	2884.90	(109.85)

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/-

Place : New Delhi

(Prakash Kumar Mohta)

(Shiban Ganju)

Dated : 30th May, 2017

Managing Director

Director

DIN: 00191299

DIN: 03434994

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, 2017 consists of six members, out of which five are Non-Executive Directors.

Attendance record of Directors:

During the year 2016-17, seven Board Meetings were held on 12.05.2016, 14.07.2016, 26.07.2016, 19.10.2016, 08.11.2016, 30.12.2016 and 10.02.2017:

Directors	Category	No. of Board meetings attended	Attendance at the last AGM	No. of outside Directorships held	(Chairman)/ Member of Board Committee	Share Holding As on 31.03.17 (No. of shares)
Mr. P. K. Mohta	Managing Director	4	Yes	4	(Nil) 1	1524182
Mr. Vikram Prakash	Non Executive & Independent	6	Yes	5	(2) 1	200
Mr. Sakate Khaitan	Non Executive	1	No	4	Nil	200
Mr. M.K. Jajoo	Non Executive & Independent	5	No	2	(Nil) 3	200
Mrs. Moulisree Gani	Non Executive	1	No	2	Nil	100
Mr. Shiban Ganju	Non Executive & Independent	3	No	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
4. Mr. Shiban Ganju - Member

Meetings of the Audit Committee were held on 12.05.2016, 26.07.2016, 08.11.2016, 03.01.2017 and 10.02.2017. Mr. Vikram Prakash, Chairman of the Committee attended five meetings. Mr. M.K. Jajoo, Mr. Shiban Ganju and Mr. P.K. Mohta attended four, three and two meetings respectively. Besides the Committee members, 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, five meetings of the committee were held on 12.05.2016, 26.07.2016, 08.11.2016, 03.01.2017 and 10.02.2017 and the same were attended by Mr. Vikram Prakash, Mr. M.K. Jajoo, Mr. Rajat Sharma and Mr. Piyush Agarwal.

5. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted the Nomination & Remuneration committee consisting of Mr. Shiban 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 2016-2017 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	-	-	-	-	-	20151000	20151000
2	Mr. Vikram Prakash	30000	25000	10000	6000	5000	-	76000
4	Mr. Sakate Khaitan	5000	-	-	-	-	-	5000
5	Mr. M.K. Jajoo	25000	20000	8000	6000	5000	-	64000
6	Mrs. Moulisree Gani	5000	-	-	-	-	-	5000
7	Mr. Shiban Ganju	15000	15000	-	2000	5000	-	37000

*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
2015-16	The Executive Club, 439, Sahoopur, New Delhi	27.09.2016	04.30 PM
2014-15	The Executive Club, 439, Sahoopur, New Delhi	28.09.2015	04.30 PM
2013-14	The Executive Club, 439, Sahoopur, New Delhi	25.09.2014	05.00 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. 30.10 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, 2017.



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	:	29th September, 2017, 12.30 P.M.
Venue	:	The Executive Club, 439, Sahoopur, Fatehpur Beri, New Delhi-110074

2. FINANCIAL CALENDAR

Financial Reporting	
For the quarter ending June 30, 2017	: By 14th September, 2017
For the quarter ending Sept. 30, 2017	: By 14th December, 2017
For the quarter ending Dec. 31, 2017	: By 14th February, 2018
For the year ending March 31, 2018	: By 30th May, 2018

Annual General Meeting for the year ending 31st March, 2018	:	By the end of September, 2018.
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3. **DATE OF BOOK CLOSURE** : From 23rd September, 2017
To 29th September, 2017
4. **DIVIDEND PAYMENT DATE** : On or before 29th October, 2017
5. **LISTING ON STOCK EXCHANGE** : At present, the Equity shares of the Company are listed on National Stock Exchange of India Limited and Annual Listing fee for the year 2017-18 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, 2016	175.00	152.95	114933
May, 2016	216.05	161.25	181923
June, 2016	233.65	170.00	542951
July, 2016	360.90	203.60	595008
August, 2016	376.90	261.00	122866
September, 2016	343.00	285.00	105629
October, 2016	375.00	299.00	235800
November, 2016	349.00	270.25	45534
December, 2016	340.00	214.00	87092
January, 2017	240.00	211.60	41847
February, 2017	284.00	224.00	32524
March, 2017	274.00	206.30	35485

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, 2017

No. of equity shares held	Number of shareholders	Number of shares held	Percentage of share holding
1 to 5000	3377	248399	3.41
5001 to 10000	153	111472	1.53
10001 to 50000	94	163535	2.24
50001 to 100000	5	40254	0.55
100001 & above	14	6724985	92.27
TOTAL	3643	7288645	100.00

11. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2017

Category	Number of shareholders	Number of share held	Percentage of shareholding
A. Promoters	13	6576900	90.23
B. Non-Promoters			
Financial Institutions & Banks	2	909	0.01
Body Corporate	105	141769	1.95
Individuals	3501	553112	7.59
Non-Resident Indians (NRIs)/(OCBs)	22	15955	0.22
Foreign Institutional Investor (FIIs)	-	-	-
TOTAL	3643	7288645	100.00

12. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2017, the 97.86% 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 2016-2017 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.

2. 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.

3. 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.

4. 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

(Prakash Kumar Mohta)

(Shiban Ganju)

Dated : 30th May, 2017

Managing Director

Director

DIN: 00191299

DIN: 03434994



Managing Director (MD) / Chief Financial Officer (CFO) Certification

Mr. Prakash Kumar Mohta, Managing Director of the company and Mr. Rajat Sharma, President & CFO of the company, as per SEBI (LODR) Regulations, 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)
Managing Director

Sd/-
(Rajat Sharma)
Chief Financial Officer

Place : New Delhi
Date : 30th May, 2017

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 the compliance of conditions of Corporate Governance under SEBI Listing Regulations (LODR) 2015 with the National Stock Exchange for the financial year ended 31st March 2017. 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
C.P. No. 5554

Place : Delhi
Dated : 30th May, 2017



INDEPENDENT AUDITORS' REPORT

To
The Members,
ECE Industries Limited

Report on Financial Statements

We have audited the accompanying financial statements of ECE Industries Limited, ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the statement of cash flows 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 ("Act") 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 financial position of the Company as at 31st March, 2017, and its profit 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the 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.
 - 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.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 30.4 in the financial statements.

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

Place : New Delhi
Dated: 30th May 2017



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the financial statements for the year ended 31 March, 2017, we report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) 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 lakh)	Date of Payment
1.	Jharkhand Value Added Tax Act, 2005	VAT Liability	2013-14 & 2014-15	3.54	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 Lakh)*	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
MP VAT/ Entry Tax Act, 2002	Demand towards Penalty under VAT Act	2016-17	4.60	Commercial Tax Appellate Board, Indore

* 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. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 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. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

Place : New Delhi
Dated: 30th May 2017

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, 2017 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 evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the 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, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : New Delhi
Dated: 30th May 2017



BALANCE SHEET AS AT 31ST MARCH, 2017

		(Rs. in Lakh)	
Particulars	Note No.	As At 31.03.2017	As At 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	729.03	772.76
(b) Reserves & Surplus	2	15,474.73	13,288.55
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	1.57	9.12
(b) Deferred Tax Liabilities (Net)	4	-	40.04
(c) Other Long-Term Liabilities	5	46.67	43.97
(d) Long-Term Provisions	6	201.55	236.81
(3) Current Liabilities			
(a) Short-Term Borrowings	7	2,255.92	1,612.38
(b) Trade Payables	8	5,639.48	4,820.74
(c) Other Current Liabilities	9	4,522.56	3,298.54
(d) Short-Term Provisions	10	1,979.69	360.53
Total		30,851.20	24,483.44
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment			
(i) Tangible Assets	11	1,775.57	1,861.75
(ii) Intangible Assets		23.46	61.18
(iii) Intangible Assets under development		13.44	-
(b) Non Current Investments	12	14,930.51	10,042.94
(c) Deferred Tax Assets (Net)	13	391.68	-
(d) Long-Term Loans & Advances	14	206.35	184.62
(2) Current Assets			
(a) Inventories	15	3,239.44	3,928.74
(b) Trade Receivables	16	8,669.61	5,943.00
(c) Cash and Bank Balances	17	695.88	734.78
(d) Short-Term Loans & Advances	18	854.48	1,648.25
(e) Other Current Assets	19	50.78	78.18
Total		30,851.20	24,483.44
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: 30th May, 2017

Sd/-
(Prakash Kumar Mohta)
Managing Director
Din : 00191299

Sd/-
(Shiban Ganju)
Director
Din : 03434994

Sd/-
(Rajat Sharma)
Chief Financial Officer

Sd/-
(Piyush Agarwal)
Company Secretary

For and on behalf of the Board of Directors

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017			
(Rs. in Lakh)			
Particulars	Note No.	1st April, 2016 to 31st March, 2017	1st April, 2015 to 31st March, 2016
REVENUE :			
I. Revenue from Operations (Gross)		29,002.45	17,157.90
Less : Excise Duty		2,860.47	1,628.21
Revenue from Operations (Net)	20	26,141.98	15,529.69
II. Other Income	21	1,739.27	1,373.28
III. Total Revenue		27,881.25	16,902.97
IV. EXPENSES :			
Purchases of Traded Goods		49.53	80.69
Cost of Materials Consumed	22	19,268.82	12,239.49
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	697.09	(737.10)
Employee Benefit Expense	24	2,552.20	2,074.01
Finance Costs	25	369.17	197.21
Depreciation and Amortization Expenses	26	213.06	215.62
Other Expenses	27	4,833.08	3,695.95
Interest Allocation		-	-
Inter-Unit Expenses		52.27	55.01
Inter-Unit Stock Transfer		-	-
Total Expenses		27,982.95	17,765.87
V. Profit/(Loss) before exceptional items and tax		(101.70)	(862.90)
VI. (Less) / Add : Exceptional Items	28	3,147.38	803.09
VII. Profit/(Loss) before tax		3,045.68	(59.81)
VIII. Tax Expense:			
(1) Current Tax		592.51	-
(2) Deferred Tax Charge / (Credit)	4 & 13	(431.73)	50.04
IX. Profit/(Loss) for the period		2,884.90	(109.85)
X. Earning per equity share:			
Equity Shares of Rs. 10 each			
Basic & Diluted	30.3	39.08	(1.42)
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: 30th May, 2017

For and on behalf of the Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
Din : 00191299

Sd/-
(Shiban Ganju)
Director
Din : 03434994

Sd/-
(Rajat Sharma)
Chief Financial Officer

Sd/-
(Piyush Agarwal)
Company Secretary



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

(Rs. in Lakh)

Particulars	1st April, 2016 to 31st March, 2017	1st April, 2015 to 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3,045.68	(59.81)
Adjustments for:		
Depreciation and Amortization Expenses	213.06	215.62
Provision for Impairment of Property, Plant & Equipment	-	40.34
(Profit)/ Loss on disposal of Property, Plant & Equipment (Net)	(605.50)	(1,118.71)
Dividend Income on non-current Investments (other than Trade)	(68.01)	(71.49)
Expenses relating to Buy-back of shares	8.71	-
Finance Costs	369.17	197.21
Interest Income	(1,194.69)	(928.45)
Inter Corporate Deposits earlier written off, now recovered	(37.00)	(39.10)
Net Provision for doubtful debts, loans and advances/ (Adjusted)	91.45	111.15
Loss / (Profit) on sale of Investments	(894.72)	38.97
Operating Profit / (Loss) before working capital changes	928.15	(1,614.28)
Movement in Working Capital :		
(Increase) / Decrease in Trade Receivable	(2,818.07)	(750.59)
(Increase) / Decrease in Inventories	689.30	(1,015.21)
Decrease / (Increase) in Loans and Advances	305.80	179.77
Increase / (Decrease) in Current Liabilities & Provisions	3,195.86	1,926.58
Cash generated from/ (Used in) operations	2,301.04	(1,273.73)
Direct Tax Paid (Net)	46.51	(36.42)
Net cash from/ (used in) operating activities	2,347.55	(1,310.14)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(112.72)	103.03
Sale of Property, Plant & Equipment	578.88	1,236.54
Sale of Investments	7,501.68	3,828.16
Purchases of investments	(11,494.54)	(4,853.50)
Inter Corporate Deposits to Bodies Corporate	300.00	(300.00)
Inter Corporate Deposits earlier written off, now recovered	37.00	39.10
Interest Received	1,222.11	1,008.17
Dividend Received	68.01	71.49
Net cash from/ (used in) Investing activities	(1,899.58)	1,132.99
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	635.29	426.05
Buyback of Shares	(742.45)	-
Expenses relating to Buy-back of shares	(8.71)	-
Finance Costs	(369.17)	(197.21)
Dividend Paid	-	(9.30)
Net cash from/ (used in) financing activities	(485.04)	219.54
Net Increase/ (decrease) in Cash and Cash equivalents(A+B+C)	(37.07)	42.39
Cash and Cash equivalents at the beginning of the year	731.56	689.17
Cash and Cash equivalents at the end of the year	694.49	731.56
Cash on hand	6.35	29.53
Balances with banks:		
In Current Accounts	675.52	299.20
In Cash Credit Accounts	12.62	399.38
Balance with Bank in Margin Money	-	3.45
Earmarked Balances		
In Unclaimed Dividend Accounts	1.39	3.22
	695.88	734.77
Less :- Unclaimed Dividend lying with Bank	1.39	3.22
	694.49	731.56

For VSD & Associates

Chartered Accountants

Firm Reg. No. : 008726N

Sd/-

(Vinod Sahni)

Partner

Membership No. 086666

Place : New Delhi

Dated: 30th May, 2017

Sd/-

(Prakash Kumar Mohta)

Managing Director

Din : 00191299

Sd/-

(Shiban Ganju)

Director

Din : 03434994

Sd/-

(Rajat Sharma)

Chief Financial Officer

Sd/-

(Piyush Agarwal)

Company Secretary

For and on behalf of the Board of Directors

NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
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			
73,33,875 (Previous year 77,71,155) Equity Shares of Rs. 10/- each fully paid-up		733.39	777.12
		<u>733.39</u>	<u>777.12</u>
Subscribed and Paid-up			
72,88,645 (Previous year 77,25,925) Equity Shares of Rs. 10/- each fully paid-up		728.86	772.59
Add : Forfeited Shares (Amount originally Paid-up)		0.17	0.17
		<u>729.03</u>	<u>772.76</u>

1.1 Reconciliation of the number of Equity shares outstanding

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	Rs. in Lakh	Nos.	Rs. in Lakh
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	(4,37,280)	(43.73)	-	-
Number of shares at the end	72,88,645	728.86	77,25,925	772.59

1.2 Total number of 14,87,665 (10,50,385) 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, 2017		As at March 31, 2016	
	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	37.18	2,709,997	35.08
Prakash Kumar Mohta	15,24,182	20.91	1,348,158	17.45
Jayshree Finvest Pvt. Ltd.	4,49,124	6.16	449,124	5.81
Bhiragacha Finance Co. Pvt. Ltd.	9,17,734	12.59	2,55,482	3.31

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 Lakh)

Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
2 RESERVES & SURPLUS			
Share Buy Back Reserve			
As per last Balance Sheet		239.54	239.54
Add: Reserves created on Buy Back of equity shares		43.73	-
	(A)	283.27	239.54
Securities Premium Account			
As per last Balance Sheet		2,892.65	2,892.65
Less: Utilised in Buy Back of Equity Shares		742.45	-
	(B)	2,150.20	2,892.65
General Reserve			
As per last Balance Sheet		5,743.89	5,742.89
Add: Transfer from Statement of Profit & Loss		300.00	1.00
	(C)	6,043.89	5,743.89
Surplus as per Statement of Profit & Loss			
Balance Brought Forward from Previous Year		4,412.47	4,523.32
Add: Profit/(Loss) for the period		2,884.90	(109.85)
		7,297.37	4,413.47
Less : Appropriations			
Transfer to General Reserve		300.00	1.00
Balance Carried to Next Year	(D)	6,997.37	4,412.47
Total Reserves and Surplus (A+B+C+D)		15,474.73	13,288.55
3 LONG TERM BORROWINGS			
Vehicle Loan			
- From Banks			
HDFC Bank	3.1	-	1.52
- From Other Parties			
Toyota Financial Services India Limited	3.2	1.57	7.60
		1.57	9.12
3.1	The loan is sanctioned for Rs. 8.04 lakh 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 lakh 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		-	291.08
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		-	251.04
Net Deferred Tax Liability		-	40.04
5 OTHER LONG-TERM LIABILITIES			
Security Deposits		29.68	26.98
Other Long-Term Liabilities		16.99	16.99
		46.67	43.97

(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
6 LONG-TERM PROVISIONS			
Provision for Employee Benefits		89.97	70.31
Provision for Warranty	10.1.1	111.58	166.50
		<u>201.55</u>	<u>236.81</u>
7 SHORT-TERM BORROWINGS			
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	7.1	87.29	-
Bill Discounting Facility from NBFC	7.2	1,700.00	1,200.00
		<u>1,787.29</u>	<u>1,200.00</u>
Unsecured Loans			
Repayable on Demand			
Bill Discounting Facility from NBFC	7.2	468.63	412.38
		<u>468.63</u>	<u>412.38</u>
Total Short-Term Borrowings		<u>2,255.92</u>	<u>1,612.38</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.
- 7.2** The Company has entered into Bill Discounting Arrangement with Aditya Birla Finance Ltd. amounting to Rs. 2350 lakh against securities of Bank Guarantees and lien on units of ICICI Venture Capital Funds (Refer Note No. 12.5).

8 TRADE PAYABLES			
Payables for Goods and Services	8.1 & 8.2	5,639.48	4,820.74
		<u>5,639.48</u>	<u>4,820.74</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.



(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
9 OTHER CURRENT LIABILITIES			
Other Current Liabilities			
Current maturities of Long Term Debt		7.55	8.26
Unpaid Dividend		1.38	3.21
Others			
Security Deposits		14.73	12.35
Statutory Dues		168.56	77.94
Advance from and Credit Balance of Customers & Others		1,397.72	1,397.72
Advance against sale of Fixed Assets		143.65	171.67
Unearned Revenue		103.03	72.99
Contractual Deductions by Customers & Price Variation		1,038.18	231.85
Employee's Emoluments		319.40	225.39
Dues to Others		666.28	435.08
Sub Judicial Matter	9.1 & 28.1.2	662.08	662.08
		4,522.56	3,298.54

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 lakh 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.

10 SHORT-TERM PROVISIONS			
Provision for Employee Benefits	28.1.1	122.56	133.43
Provision for Warranties	10.1.1	158.93	163.10
Provision for Expenses		32.50	20.00
Provision for Taxation		464.09	-
Provision for Loss on Onerous Contracts		19.00	19.00
Provision against Sales Tax Demands	10.1.2	25.00	25.00
Provision for Sub Judicial Matters	10.1.3	1,157.61	-
		1,979.69	360.53

10.1 DISCLOSURE AS PER AS-29

(Rs. in Lakh)

Particulars	Balance as at 01.04.2016	Additions during the year	Used & reversed during the year	Balance as at 31.03.2017
Provision for Warranty	329.60	54.42	(113.52)	270.50
	(425.78)	(3.70)	(99.88)	(329.60)
Provision for Loss on Onerous Contracts	19.00	-	-	19.00
	(19.00)	-	-	(19.00)
Provision for Contingency against Sales tax demands	25.00	-	-	25.00
	(25.00)	-	-	(25.00)
Current Year	373.60	54.42	(113.52)	314.50
Previous Year	(469.78)	(3.70)	(99.88)	(373.60)

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 PROPERTY, PLANT & EQUIPMENT

11. PROPERTY, PLANT & EQUIPMENT																	(Rs. in Lakh)	
S. No.	Particulars	Ref	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK						
			Book Value at 01.04.2016	Additions	Deductions/ Adjustments	Book Value at 31.03.2017	Upto 31.03.2016	For the Year	Deductions/ Adjustments	Upto 31.03.2017	Upto 31.03.2016	For the Year	Reversal during the year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016		
A. Tangible Assets																		
1	Land (Leasehold)	1	22.38 (22.38)	-	-	22.38 (22.38)	0.82 (0.80)	0.01 (0.02)	-	0.83 (0.82)	-	-	-	-	21.55 (21.56)	21.56 (21.58)		
2	Land (Freehold)		263.19 (382.52)	6.55 (46.72)	1.12 (166.04)	268.62 (263.20)	-	-	-	-	-	-	-	-	268.62 (263.20)	263.20 (382.52)		
3	Building, Road & Culverts	2	807.13 (811.61)	-	2.41 (4.47)	804.72 (807.14)	347.76 (330.49)	20.74 (21.16)	2.29 (3.88)	366.21 (347.77)	-	-	-	-	438.51 (459.37)	459.37 (481.12)		
4	Plant & Machinery		2,445.08 (2,638.25)	33.95 (33.60)	-	2,479.03 (2,445.08)	1,470.90 (1,584.63)	102.66 (102.33)	-	1,573.56 (1,470.90)	30.07	-	(39.93)	(9.86)	875.40 (944.11)	944.11 (1,053.62)		
6	Electric and Gas Installation		44.11 (53.23)	-	-	44.11 (44.11)	28.83 (33.69)	3.84 (3.81)	-	32.67 (28.83)	-	-	-	-	11.44 (15.28)	15.28 (19.54)		
7	Furniture & Fittings		109.89 (93.38)	1.04 (20.71)	-	110.93 (109.89)	63.78 (61.43)	5.25 (6.34)	-	69.03 (63.78)	-	-	(0.41)	-	41.90 (46.11)	46.12 (31.95)		
8	Office Equipments		190.74 (195.21)	23.61 (33.58)	3.18 (38.05)	211.17 (190.74)	130.20 (152.41)	21.23 (13.82)	3.02 (36.03)	148.41 (130.20)	-	-	-	-	62.76 (60.54)	60.54 (42.80)		
9	Motor & Other Vehicles		115.01 (95.18)	13.99 (19.82)	-	129.00 (115.00)	63.44 (50.68)	10.17 (12.75)	-	73.61 (63.43)	-	-	-	-	55.39 (51.57)	51.57 (44.50)		
	Total -A		3,997.53 (4,291.76)	79.14 (154.43)	6.71 (448.65)	4,069.96 (3,997.54)	2,105.73 (2,214.14)	163.90 (160.23)	5.31 (268.62)	2,264.32 (2,105.73)	30.07	-	(40.34)	30.07 (30.07)	1,775.57 (1,861.74)	1,861.75 (2,077.63)		
B. Intangible Assets																		
1	Drawings & Development		236.65 (226.99)	11.44 (9.66)	-	248.09 (236.65)	200.14 (169.42)	24.49 (30.72)	-	224.63 (200.14)	-	-	-	-	23.46 (36.51)	36.51 (57.57)		
2	Design Software		148.00 (148.00)	-	-	148.00 (148.00)	123.33 (98.67)	24.67 (24.67)	-	148.00 (123.33)	-	-	-	-	-	24.67 (49.33)		
	Total -B		384.65 (374.99)	11.44 (9.66)	-	396.09 (384.65)	323.47 (268.09)	49.16 (55.39)	-	372.63 (323.47)	-	-	-	-	23.46 (61.18)	61.18 (106.91)		
	Grand Total (A+B)		4,382.18 (4,666.75)	90.58 (164.09)	6.71 (448.65)	4,466.05 (4,382.19)	2,429.20 (2,482.23)	213.06 (215.62)	5.31 (268.62)	2,636.95 (2,429.21)	30.07	-	(40.34)	30.07 (30.07)	1,799.03 (1,922.92)	1,922.93 (2,184.54)		
	Previous Year																	

NOTES:-

1. Leasehold land includes land amounting to Rs. 2.08 lakh (Previous year Rs. 2.08 lakh) under perpetual lease.
2. 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, Wadala.
3. Out of the above Fixed Assets Land, Building, Electric Installation and Air Conditioning Plant aggregate value of Rs. 0.49 lakh (Previous Year Rs. 0.49 lakh) are owned with other co-owners.
4. The Previous Year figures have been shown in brackets.

(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
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	177.25
6,19,647 (Previous Year NIL) in Aditya Birla Fashion & Retail Ltd.	12.1	1.56	1.56
31,670 (Previous Year 31,670) in Grasim Industries Ltd.	12.2	-	-
Nil (Previous Year 13,915) in Ultratech Cement Ltd.	12.3	-	-
Fully paid-up Equity Shares of Rs. 5/- each (Face Value)			
4,45,600 (Previous Year 'Nil') in Jayshree Tea & Industries Ltd.		505.95	-
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	-	-
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 Mutual Funds			
Nil (Previous Year 1,00,00,000) Units of HDFC - FMP		-	1,000.00
50,00,000 (Previous Year 50,00,000) Units of Kotak - FMP	12.6	500.00	500.00
1,18,661 (Previous Year Nil) Units of Birla Sunlife-Cash Plus Fund		307.52	-
Investment in Units of Venture Capital Fund/Alternate Investment Fund			
1,53,54,848 (Previous Year 2,00,00,000) ICICI Venture Capital Fund	12.5	1,535.48	2,000.00
Real Estate Scheme-I			
2,72,37,167.192 (Previous Year 2,72,37,167.192) IIFL Income	12.6	2,270.14	1,646.78
Opportunities Fund Series Special Situation Peeramal			
2,36,30,357.688 (Previous Year 62,38,094.383) IIFL Real Estate	12.6	2,600.43	675.00
Fund (Domestic) Series-2			
980.5761 (Previous Year 716.292) Indiareit Apartment Fund	12.6	1,014.28	750.00
9,88,600 (Previous Year 9,88,600) ICICI Prudential Real Estate AIF-I		944.71	664.71
NIL (Previous Year 61,30,000) ICICI Prudential Real Estate AMC Ltd.		-	652.48
61,30,000 (Previous Year NIL) IIFL Real Estate Fund (Domestic) Series-III	12.6	606.13	-
2,50,000 (Previous Year NIL) IIFL Special Opportunities Fund CAT-II AIF		250.00	-
6,25,000 (Previous Year NIL) IIFL Re Organize India Equity Fund CAT-III AIF		62.50	-
37.3944 (Previous Year NIL) Sundram Alternative Opportunities Fund CAT-III		37.50	-
Investment in Non Convertible Debentures (Nos.)			
360 (Previous Year 480) of Sambhavi Reality Pvt. Ltd	12.6	362.05	482.74
Face Value Rs. 1,00,000/- each			
Nil (Previous Year 945) of Sheth Buildwell Pvt. Ltd.		-	987.42
Face Value Rs. 1,00,000/- each			
3000 (Previous Year Nil) of IIFL PSU Bank Perpetual Debentures		3,000.00	-
250 (Previous year Nil) of Edelweiss Finvest Pvt. Ltd.		250.00	-
		14,930.51	10,042.94
Aggregate Book Value of Quoted Investments			
		1,184.76	683.81
Aggregate Market Value of Quoted Investments			
		4,140.64	4,099.59
Aggregate amount of Unquoted Investments			
		13,745.74	9,359.13



(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
12.1 During the year 2015-16, 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.			
12.5 Lien has been created on 1,00,00,000 units of the said investments in accordance with the terms of Bill Discounting Facility sanctioned by Aditya Birla Finance Limited referred to in Note No. 7.2.			
12.6 Lien has been created on the said investments on account of Corporate & Demand Loan extended by IIFL Wealth Finance Limited of Rs. 5000 lakh for a tenor of 24 months.			
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		681.98	-
Gross Deferred Tax Asset		<u>681.98</u>	<u>-</u>
Deferred Tax Liabilities			
Depreciation & Amortisation		290.29	-
Gross Deferred Tax Liability		<u>290.29</u>	<u>-</u>
Net Deferred Tax Assets		<u>391.68</u>	<u>-</u>
14 LONG-TERM LOANS AND ADVANCES			
Unsecured, Considered good			
Capital Advances		12.44	3.75
Security Deposits		192.14	180.87
Prepaid Expenses		1.77	-
		<u>206.35</u>	<u>184.62</u>
15 INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		1,421.58	1,450.71
Work-in-Progress	23.1	1,633.54	2,344.30
Stock-in-Trade		2.80	8.23
Finished Goods		30.74	11.64
Stores and Spares		150.78	113.86
		<u>3,239.44</u>	<u>3,928.74</u>

(Rs. in Lakh)			
Particulars	Ref.	As At 31.03.2017	As At 31.03.2016
16 TRADE RECEIVABLES			
Unsecured			
Trade receivables outstanding for a period exceeding six months from due date			
Considered Good (unless otherwise stated)	16.1	2,308.15	1,426.25
[Under litigation Rs. 0.70 Lacs (Previous Year Rs. 0.70 Lacs)]			
Considered Doubtful		253.43	161.98
Less: Provision for Doubtful Debts		(253.43)	(161.98)
		<u>2,308.15</u>	<u>1,426.25</u>
Others			
Considered Good	16.1	6,361.46	4,516.75
		<u>8,669.61</u>	<u>5,943.00</u>
16.1 Balance with customers are subject to confirmations and reconciliations.			
17 CASH AND BANK BALANCES			
Cash & Cash Equivalent			
Cash on hand		6.35	29.53
Balances with banks:			
In Current Accounts		675.52	299.20
In Cash Credit Accounts		12.62	399.38
In Margin Money		-	3.45
Earmarked Balances			
In Unclaimed Dividend Accounts		1.39	3.22
		<u>695.88</u>	<u>734.78</u>
18 SHORT-TERM LOANS AND ADVANCES			
Unsecured, Considered good			
Loans and Advances recoverable in Cash or in kind			
Balance with Excise Authorities		191.97	468.71
Balances with Other Authorities		15.65	29.44
Advance Income Tax (including refund receivables) (Net)		306.70	481.64
Inter Corporate Deposits with Bodies Corporate		-	300.00
Deposit with Others		61.94	77.49
Advance to Suppliers		152.99	52.41
Unbilled Revenue		29.24	91.59
Prepaid Expenses		8.91	7.51
Others		87.08	139.46
		<u>854.48</u>	<u>1,648.25</u>
19 OTHER CURRENT ASSETS			
Accrued Interest Receivable		46.27	73.67
Claims & Others Receivable		4.51	4.51
		<u>50.78</u>	<u>78.18</u>



(Rs. in Lakh)			
Particulars	Ref.	1st April, 2016 to 31st March, 2017	1st April, 2015 to 31st March, 2016
20 REVENUE FROM OPERATIONS			
Sale of Product and Services			
Sale of Finished Goods		23,540.07	13,365.75
Contract Jobs	20.1	4,264.56	2,896.96
Maintenance and Services Revenue		1,049.33	810.08
	(A)	28,853.96	17,072.79
Other Operating Income			
Sales of Production Scrap	(B)	148.49	85.11
Gross Revenue	(A)+(B)	29,002.45	17,157.90
Less : Excise Duty		2,860.47	1,628.21
Net Revenue		26,141.98	15,529.69
20.1 Includes for contracts completed in earlier years Rs. 94.81 Lakh (Previous Year Rs. 3.15 Lakh).			
21 OTHER INCOME			
Interest Income		1,194.69	928.45
Rent & Licence Fees		148.59	134.36
Royalty Received		30.00	30.00
Dividend Income from Non-Current Investments (Other than Trade)		68.01	71.49
Sundry Balances Written Back		135.13	60.44
Profit on Sale of Fixed Assets		0.37	35.00
Reversal of Provisions		36.39	60.28
Inter Corporate Deposits earlier written off, now recovered		37.00	39.10
Miscellaneous Income		89.09	14.16
		1,739.27	1,373.28
22 COST OF MATERIALS CONSUMED			
Raw Materials Consumed	28.2.1		
Copper, Wires & Sections		7,129.71	6,017.91
Core		5,514.43	3,321.61
Others		6,624.68	2,899.97
		19,268.82	12,239.49
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Closing Stock			
Finished Goods		30.74	11.64
Work-in-Progress	23.1 & 23.1.2	1,633.54	2,514.70
Stock-in-Trade		2.80	8.23
		1,667.08	2,534.57
Less:			
Opening Stock			
Finished Goods		11.64	18.05
Work-in-Progress	23.1 & 28.2.2	2,344.30	1,761.83
Stock-in-Trade		8.23	17.59
		2,364.17	1,797.47
		-	-
Decrease / (Increase) in Stock		697.09	(737.10)

(Rs. in Lakh)

Particulars	Ref.	1st April, 2016 to 31st March, 2017	1st April, 2015 to 31st March, 2016
23.1 WORK IN PROGRESS INCLUDES			
		31.03.2017	31.03.2016
Transformers		1,110.23	1,181.36
Elevators		523.32	580.47
		1,633.55	1,761.82
23.1.2 The opening stock of Work-in-Progress for the current year has been shown net off adjustments of Exceptional Items shown in previous year.			
24 EMPLOYEE BENEFIT EXPENSES			
Salaries and Wages		2,208.50	1,784.38
Contribution to Provident and Others Funds		226.09	194.23
Workmen and Staff Welfare Expenses		117.61	95.40
		2,552.20	2,074.01
25 FINANCE COSTS			
Interest Expense	25.1	347.85	189.78
Other Borrowing Cost		21.32	7.43
		369.17	197.21
25.1 Interest Expense includes interest of NIL (Previous Year Rs.15.48 lacs) which relates to previous year.			
26 DEPRECIATION & AMORTISATION EXP.			
Depreciation & Amortisation Exp.		213.06	215.62
		213.06	215.62
27 OTHER EXPENSES			
Stores and Spare Parts Consumed	28.2.3	569.04	455.92
Processing & Material Handling Expenses		1,165.80	807.45
Freight outwards, Transport and Octroi Expenses (Net)		160.96	-
Impairment of Fixed Assets		-	40.34
Power & Fuel Expenses		278.12	215.88
Rent		101.20	85.43
Rates and Taxes		232.27	55.04
Auditor's Remuneration	27.1	5.22	5.34
Repair and Maintenance:			-
- Buildings		64.45	60.47
- Plant and Machinery		41.02	44.18
- Others		64.05	62.50
Commission on Sales		128.08	41.52
Insurance		21.89	12.77
Legal & Professional Charges	27.2	134.97	87.90
Travelling & Conveyance Expenses	27.3	316.76	232.01
Bank Charges		207.57	118.47
Impulse & Short Circuit Charges		80.10	8.71
Debt, Advance & other debit balance Written off		88.40	791.92
Provision For Doubtful Debts		91.45	111.15
Loss on Sale of current investments		0.68	80.78
Foreign Exchange Loss (Net)		1.57	-
Contractual Deductions / Recoveries by Customers		800.86	142.92
Directors Sitting Fees		1.83	1.47
Miscellaneous Expenses	27.4	276.79	233.77
		4,833.08	3,695.95



(Rs. in Lakh)

Particulars	Ref.	1st April, 2016 to 31st March, 2017	1st April, 2015 to 31st March, 2016
27.1 Payment to Statutory Auditors :			
i) Audit Fee		2.25	2.25
ii) Quarterly review of accounts		1.50	1.50
iii) Reimbursement of Expenses		1.24	1.00
iv) Certification		0.23	0.59
27.2 Includes NIL (Previous Year Rs. 3.50 Lakh) to a firm in which a director is partner.			
27.3 Includes Directors' Travelling Rs. 20.43 Lakh (Previous Year Rs. 22.36 Lakh).			
27.4 Prior Period Expenses NIL (Previous Year 5.27 Lakh).			
28 EXCEPTIONAL ITEMS			
28.1 Profit/(Loss) on Sale of Immovable Property		605.13	1,085.60
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 Litigation Settlement (Refer Note 30.6)		2,794.29	-
28.4 Profit/(Loss) on Sale of Non Current Investments (other than Trade)		895.40	41.81
28.5 Provision for Legal Liability (Refer Note No. 30.7 & 30.8)		(1,147.44)	-
		3,147.38	803.09

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. Property, Plant & Equipment

"Property, Plant & Equipment 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 exists.

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.

o. 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 Lakh)	
	2016-17	2015-16
(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	8.17
(ii) Sales Tax / VAT / Work Contract Tax etc.	111.28	106.68
Provision of Rs. 25 Lakh (Previous year Rs. 25 Lakh) made in an earlier year is being carried forward under the head "Provision for contingencies."		
(iii) Cess & Others	0.60	0.60
(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***	31.55***

** 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, 2017, 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, 2017 and March 31, 2016 and certain assets and liability information regarding business segments at March 31, 2017 and March 31, 2016.

(d) Segment Information Disclosure:

(Rs. in Lakh)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue						
External Turnover (Net)	20,146.35	11,381.77	5,995.63	4,147.92	26,141.98	15,529.69
Other Income	270.60	148.76	(7.96)	18.22	262.64	166.98
Total Income	20,416.95	11,530.54	5,987.67	4,166.14	26,404.62	15,696.67
Results						
Segment results Profit/(Loss)	65.09	(692.88)	(639.22)	(601.08)	(574.13)	(1,293.96)
Unallocated Corporate Income (Net)					841.60	628.27
Operating Profit/ (Loss)					267.47	(665.69)
Less:						
Finance Cost					369.17	197.21
Current Income Tax					592.51	-
Deferred Tax Charge/ (Credit)					(431.73)	50.04
Exceptional Items					(3,147.38)	(803.09)
Profit from Ordinary Activities					2,884.90	(109.85)
Other Information						
Segment Assets	10,682.68	9,271.31	4,047.33	3,430.19	14,730.01	12,701.50
Unallocated Corporate Assets					16,121.19	11,781.94
Total Assets					30,851.20	24,483.44
Segment Liabilities	9,610.60	6,820.48	3,235.13	2,386.51	12,845.73	9,206.99
Unallocated Corporate Liabilities					1,801.71	1,215.11
Total Liabilities					14,647.44	10,422.10
Capital Expenditure	52.37	103.58	42.60	58.50	94.97	162.08
Corporate Office Capital Expenditure					9.05	2.01
Total Capital Expenditure					104.02	164.09
Depreciation & Amortisation	152.84	166.29	50.64	40.86	203.48	207.15
Unallocated Depreciation	-	-	-	-	9.58	8.47
Total Depreciation					213.06	215.62
Other Non Cash Expenses						
Provision for Doubtful Debts	-	-	202.60	111.15	202.60	111.15
Provision for Impairment of Assets	-	40.34	-	-	-	40.34

30.3 Basic and diluted Earning per share

		2016-17	2015-16
Profit/(Loss) for the year	Rs. in Lacs	2884.90	(109.85)
Equity Shares Outstanding at the beginning of the year	Numbers	7725925	7725925
Equity Shares Outstanding at the year end	Numbers	7288645	7725925
Weighted Average Number of equity shares	Numbers	7381334	7725925
Earnings Per Share	(Rs.)	39.08	(1.42)
Earnings Per Share restated for Buy-Back	(Rs.)	-	(1.42)



30.4 During the year, the company had specified bank notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 which is on providing the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016. The denomination wise SBNs and other notes as per the notification is given below:-

Particulars	"SBNs* (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on November 08, 2016	21,12,000/-	1,96,856/-	23,08,856/-
(+) Permitted receipts	-	21,39,863/-	21,39,863/-
(-) Permitted Payment	-	19,93,793/-	19,93,793/-
(-) Amount deposited in bank	(21,12,000/-)	-	(21,12,000/-)
Closing cash in hand as on December 30, 2016	-	3,42,926/-	3,42,926/-

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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) :-

Particulars	(Rs. in Lakh)			
	Gratuity		Leave	
	2016-17	2015-16	2016-17	2015-16
(a) Statement of Profit and Loss:				
Net employee benefit expense (recognised in Employee Cost)				
Current service cost	51.23	41.05	46.28	35.63
Interest cost on benefit obligation	24.66	24.56	5.05	4.21
Expected return on plan assets	(32.35)	(32.79)	-	-
Net actuarial (gain) / loss recognised in the year	5.48	21.63	(25.79)	(7.53)
Net benefit expense	49.02	54.45	25.54	32.31
(b) Actual return on plan assets	32.25	29.02	-	-
(c) Balance Sheet:				
Defined benefit obligation	(398.14)	(340.84)	89.97	70.30
Fair value of plan assets	423.18	393.30	-	-
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	25.04	52.46	89.97	70.30
(d) Changes in the present value of the defined benefit obligation are as follows:				
Opening defined benefit obligation	340.84	364.28	70.30	68.65
Interest cost	24.66	24.56	5.05	4.21
Current service cost	51.23	41.05	46.28	35.63
Benefits paid	(23.97)	(106.91)	(5.88)	(30.66)
Actuarial (gains) / losses on obligation	5.38	17.86	(25.78)	(7.53)
Closing defined benefit obligation	398.14	340.84	89.97	70.30

Particulars	(Rs. in Lakh)			
	Gratuity		Leave	
	2016-17	2015-16	2016-17	2015-16
(e) Changes in the fair value of plan assets are as follows:				
Opening fair value of plan assets	393.30	364.28	-	-
Expected return	32.35	32.79	-	-
Contributions by employer	-	-	-	-
Benefits paid	(2.37)	-	-	-
Actuarial gains / (losses)	(0.10)	(3.77)	-	-
Closing fair value of plan assets	423.18	393.30	-	-

(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2016-17	2015-16
	%	%
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	7.50%	7.90%
Expected rate of return on any plan assets	8.25%	9%
Salary Rise	6%	6%
Employees Turnover	5%	5%
Mortality Rate (Table)	IAL 2006-08	IAL 2006-08
	Ultimate	Ultimate
Remaining Working Life (Years)	20.66	20.78

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(h) Amounts for the current period is as follows:	Gratuity		Leave	
Defined benefit obligation	398.14	340.84	89.97	70.30
Plan assets	423.18	393.30	-	-
Surplus / (Deficit)	25.04	52.46	(89.97)	(70.30)

(i) Disclosure as required under Para 120(n)

	2016-17	2015-16	2014-15	2013-14	2012-13
The amounts for the current and previous four periods in respect of gratuity are as follows :					
Present Value of defined benefit obligation	398.14	340.84	364.28	274.17	239.24
Fair value of plan assets	423.18	393.30	364.28	274.17	239.24
Surplus / (Deficit) in the plan	25.04	52.46	-	-	-
Experience adjustments on plan Liabilities (Gain) / Loss	5.38	17.86	44.11	(6.75)	22.16
Experience adjustments on plan assets Gain / (Loss)	(0.10)	(3.77)	(3.80)	(9.08)	(0.40)
The amounts for the current and previous four periods in respect of leave are as follows:					
Present Value of defined benefit obligation	89.97	70.30	68.65	47.08	44.03
Fair value of plan assets	-	-	-	-	-
Surplus / (Deficit) in the plan	(89.97)	(70.30)	(68.65)	(47.08)	(44.03)
Experience adjustments on plan Liabilities Gain / (Loss)	25.79	7.53	9.11	19.65	13.12
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. During the year, a joint memorandum of compromise was filed for the settlement between the parties in respect of above development agreement cum GPA, suit schedule property and to withdraw the entire amount deposited to the credit of the suit. Accordingly, the company has received Rs. 1420.37 lacs, the amount deposited in the court and Rs. 1375.04 lacs towards accrued interest thereon.
- 30.7** A suit in the court of Civil Judge (Sr. Div.) Sealdah, West Bengal for recovery of possession of land and structure thereon which was taken on rent by the company was filed by the Lessor on expiration of lease by efflux of time. The court order was passed to hand over the possession of the suit property and the company to pay mesne profit and occupational charges till hand over of the possession to the lessor. In the year 2014, the property was handed over to the lessor by the company. The matter went upto High Court at Calcutta and is still pending in the Civil court. A sum of Rs. 881.33 lakh has been provided in books of account towards such charges.
- 30.8** During the year, the company on the order passed by Hon'ble High Court of Judicature at Hyderabad has provided Rs. 266.11 lakh. The amount was charged towards any unexpected outcome of the challenge testing ordered by the Court to be conducted at Central Power Research Institute to establish that the transformers which were supplied to The Southern Power Distribution Company of Telangana Limited were within technical parameters as mentioned in the purchase order.
- 30.9** During the year, in terms of SEBI (Delisting of Equity Shares) Regulations, 2009, an exit opportunity to the public shareholders was offered by the Promoters and also to delist the company from National Stock Exchange (NSE). The shareholding of promoter group has been reached to 90.23% of the total paid-up equity share capital of the company. The final application filed with NSE for delisting is pending due to statutory clearance from Securities and Exchange Board of India.

30.10 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 - 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 Lakh)

Nature of Transactions	2016-17	2015-16
Salary/Perquisites	180.88*	156.25*
Provident/Superannuation Fund	20.63	18.75
Dividend Paid during the year	-	1.35

*Excluding Gratuity and Leave Encashment provision on actuarial basis.

30.11 Value of Raw materials, Spare Parts and components consumed (As certified) : (Rs. in Lakh)

	2016-17		2015-16	
	Value	%	Value	%
Raw Material				
Imported	494.00	2.56	318.66	2.60
Indigenous	18774.82	97.44	11920.83	97.40
Total	19268.82	100.00	12239.49	100.00
Stores & Spare Parts				
Imported	8.55	1.50	33.94	7.44
Indigenous	560.49	98.50	421.98	92.55
Total	569.04	100.00	455.92	100.00

30.12 Other Informations :

(Rs. in Lakh)

	2016-17	2015-16
(a) C.I.F. Value of Imports (On Accrual basis)		
Raw Material (including High Sea Purchase)	496.03	301.73
Components, Spare Parts and Store etc.	-	33.94
(b) Expenditure in Foreign Currency (Including for Project) :		
Travelling	20.43	7.89

30.13 Previous year figures have 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: 30th May, 2017

For and on behalf of the Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
Din : 00191299

Sd/-
(Shiban Ganju)
Director
Din : 03434994

Sd/-
(Rajat Sharma)
Chief Financial Officer

Sd/-
(Piyush Agarwal)
Company Secretary

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 71st Annual General Meeting of the Company being held at "The Executive Club", 439, Sahoopur, Fatehpur Berl, New Delhi-110074 on Friday, the 29th September, 2017 at 12.30 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 71st Annual General Meeting of the Company to be held on Friday, the 29th September, 2017 at 12.30 PM at at "The Executive, 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	Declaration of Dividend on Equity Shares for the year ended on 31st March, 2017		
3	Re-appointment of Mr. Sakate Khaitan, who retires by rotation		
4	Ratification of appointment & fixing remuneration of VSD & Associates, Chartered Accountants as Statutory Auditors		
5	Approval for Re-appointment of Mr. Prakash Kumar Mohta as Managing Director & Fixing the Remuneration		
6	Approval for Alteration in the Articles of Association of the Company		
7	Approval of Remuneration of the Cost Auditors		

Signed thisday of2017

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 71st 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

[illegible]



Registered Office :

"ECE House" 28-A, Kasturba Gandhi Marg

New Delhi - 110001

CIN : L31500DL1945PLC008279

Email : ecehodelhi@gmail.com

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