

27<sup>th</sup> May, 2021

To,

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

**Sub : Audited Financial Results for the quarter & financial year ended on 31<sup>st</sup> March, 2021.**

**Ref : Regulations 33, 52 & 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In terms of the subject referred regulations, the Standalone and Consolidated Audited Financial Results for the quarter & financial year ended on 31<sup>st</sup> March, 2021, duly taken on record and approved by the Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2021, are enclosed.

A copy of the following is also enclosed with respect to the aforesaid financial results:

- Audit Report of the Statutory Auditors of the Company;
- A declaration with respect to Auditors' Report with unmodified opinion; and
- Disclosures under Regulations 52 and 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,  
For Elecon Engineering Company Limited,

*Bharti*

**Bharti Isarani**  
Company Secretary and Compliance Officer



Encl.: As above



Cranes



Rubber Industry



Marine Industry



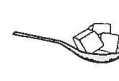
Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

**Gearing industries. Gearing economies.**



ELECON ENGINEERING COMPANY LIMITED						
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021						
(Amounts in INR Lakhs)						
Sr. No.	Particulars	Quarter Ended			Year ended	
		31 Mar 2021	31 Dec 2020	31 Mar 2020	31 Mar 2021	31 Mar 2020
		(Audited) Refer Note 2	(Unaudited)	(Audited) Refer Note 2	(Audited)	(Audited)
1	Revenue from operations	27,346.80	22,804.03	20,169.19	79,636.37	83,573.82
2	Other income	239.82	495.71	160.57	1,079.06	930.58
3	<b>Total Income (1+2)</b>	<b>27,586.62</b>	<b>23,299.74</b>	<b>20,329.76</b>	<b>80,715.43</b>	<b>84,504.40</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	10,841.90	10,240.89	5,922.13	31,963.54	37,231.73
	(b) Changes in inventories of finished goods and work-in-progress	1,803.48	1,087.34	4,506.98	4,358.86	646.51
	(c) Manufacturing expenses and erection charges	1,954.34	2,065.68	2,069.51	7,305.22	13,960.64
	(d) Employee benefits expense	1,916.24	1,450.11	1,987.29	6,367.93	7,145.43
	(e) Finance costs	1,257.36	1,300.90	1,640.41	5,426.89	6,963.25
	(f) Depreciation and amortisation expense	1,042.02	1,064.97	1,170.58	4,231.33	4,369.33
	(g) Other expenses	5,053.26	4,203.33	4,396.26	15,233.48	14,059.72
	<b>Total Expenses</b>	<b>23,868.60</b>	<b>21,413.22</b>	<b>21,693.16</b>	<b>74,887.25</b>	<b>84,376.61</b>
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>3,718.02</b>	<b>1,886.52</b>	<b>(1,363.40)</b>	<b>5,828.18</b>	<b>127.79</b>
6	<b>Tax expenses</b>					
	Current tax	(3.17)	3.17	118.13	-	118.13
	Deferred tax (Refer note 4 (a) & (b))	1,478.40	641.09	(7,704.65)	2,201.69	(7,232.23)
7	<b>Net Profit for the period after tax (5-6)</b>	<b>2,242.79</b>	<b>1,242.26</b>	<b>6,223.12</b>	<b>3,626.49</b>	<b>7,241.89</b>
8	<b>Other comprehensive income / (expenses) (net of tax)</b>					
	Items that will not be reclassified to profit or loss	134.57	(7.39)	(17.12)	112.42	(29.53)
	Income tax related to items that will not be reclassified to profit or loss	(36.04)	2.58	5.98	(28.30)	10.32
9	<b>Total comprehensive income for the period (7+8)</b>	<b>2,341.32</b>	<b>1,237.45</b>	<b>6,211.98</b>	<b>3,710.61</b>	<b>7,222.68</b>
10	<b>Paid-up equity share capital</b> (Face value per equity share INR 2/-)	2,244.00	2,244.00	2,244.00	2,244.00	2,244.00
11	<b>Debt capital #</b>				9,571.43	10,000.00
12	<b>Other equity (including debenture redemption reserve)</b>				79,692.54	75,981.93
13	<b>Debenture redemption reserve</b>				2,500.00	2,500.00
14	<b>Earnings per share (of INR 2/- each) (not annualised) (In Rupees)</b>					
	(a) Basic	2.00	1.10	5.54	3.23	6.45
	(b) Diluted	2.00	1.10	5.54	3.23	6.45
15	<b>Debt Equity Ratio</b>				0.31	0.50
16	<b>Debt Service Coverage Ratio</b>				1.07	1.51
17	<b>Interest Service Coverage Ratio</b>				2.25	1.02
#	Represents Non convertible debentures					
	<b>Ratios have been computed as follows:</b>					
a)	Debt Equity Ratio : Debt / Equity Debt: Non-current borrowings + Current maturity of non-current borrowings + Current borrowings + Lease liabilities Equity : Equity share capital + Other equity					
b)	Debt Service Coverage Ratio : (EBIT-Tax expenses) / Debt to be serviced EBIT : Profit Before Tax + Interest on Debt Debt to be serviced : Interest on Debt + Scheduled principal repayment of non-current borrowings + Current maturity of lease liabilities					
c)	Interest Service Coverage Ratio : EBIT / Interest on Debt					



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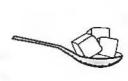
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**Notes:**


- 1 The above audited standalone financial results for the quarter and year ended 31 March 2021 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 May 2021. The statutory auditors have expressed an unmodified opinion on these standalone financial results. The audit report has been filed with the stock exchange and is available on the Company's website.
- 2 Figures for the quarter ended 31 March, 2021 and corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures in respect of the full financial year and the published year-to-date figures up to the end of third quarter of the relevant financial year. Also the figures upto the end of third quarter had only been reviewed and not subjected to audit.
- 3 As per Ind AS 108 - 'Operating Segments', the Company has reported segment information under two segments (i.e. 1) Material Handling Equipment and 2) Transmission Equipment.
- 4 a) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019, subject to certain conditions. Tax expenses for the year ended 31 March 2020, reflect the impact of expected adoption of this option by the Company basis Management's internal evaluation. Further, tax expenses for the quarter and year ended 31 March 2021, reflect the impact arising from the change in the timing of expected adoption of this option by the Company.  
  
b) At the time of transition to Indian Accounting Standards (Ind AS) with effect from 1 April 2015, the Company had recognised the fair value of its land parcels in the books of account and had also recognised corresponding deferred tax liability considering the future tax obligation that would arise upon sale of land in the expected manner in future (sale of land parcels on a piecemeal basis, delinked from the business).  
  
During the year ended 31 March 2020, the Company had reassessed the expected manner of recovery of the carrying value of all land parcels and determined that a number of such land parcels would not be delinked from the business as they either form an integral part of the business operations or are proximate to the factory premises. Consequently, the Company expects that in the event of disposal of most of the land parcels in future, these would only be disposed off along with the business and in a slump sale arrangement thereby resulting in no temporary difference between the accounting position and position as per tax laws upon such future disposal.  
  
Basis the above, deferred tax liability aggregating to INR 6,118 lakhs recognised on such land parcels at the time of transition to Ind AS, has been reversed in the Statement of Profit and Loss during the year ended 31 March 2020.
- 5 Subsequent to outbreak of COVID-19 pandemic and consequent lock down across the country, the Company's operations have resumed post temporary suspension, as per the guidelines and norms prescribed by the Government authorities. The Company continues to monitor the impact of COVID-19 on its business including customers, supply-chain, employees/workers and logistics. The management has taken specific steps by way of negotiating better payment terms for new orders and cost rationalization initiatives to manage the cash flows and liquidity position. The Company has considered internal and external information while evaluating various estimates in relation to its financial results up to the date of its approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions.  
  
Further impact of the COVID-19 pandemic, if any, may be different from estimated as at the date of approval of these financial results and the Company believes that no precise estimation can be made about the actual impact of the pandemic on the overall economy, specific industry sectors and the Company itself at this stage but is closely monitoring the emerging situation.
- 6 The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified
- 7 Board of directors recommended dividend of Rs. 0.40/- (20%) per equity share of Rs. 2/- each amounting to Rs. 448.80 Lakhs for the year 2020-21.
- 8 Previous period figures have been regrouped / reclassified wherever necessary.



AUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021					
(Amounts in INR Lakhs)					
Particulars	Quarter Ended			Year ended	
	31 Mar 2021	31 Dec 2020	31 Mar 2020	31 Mar 2021	31 Mar 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Refer Note 2		Refer Note 2		
<b>1. SEGMENT REVENUE</b>					
(a) Material Handling Equipment	5,528.37	3,002.26	3,107.93	13,924.65	22,897.76
(b) Transmission Equipment	21,818.43	19,801.77	17,061.26	65,711.72	60,676.06
<b>Net Sales/Income from Operations</b>	<b>27,346.80</b>	<b>22,804.03</b>	<b>20,169.19</b>	<b>79,636.37</b>	<b>83,573.82</b>
<b>2. SEGMENT RESULTS PROFIT (+)/LOSS(-) BEFORE TAX &amp; INTEREST</b>					
(a) Material Handling Equipment	(1,508.11)	(1,853.21)	(2,243.50)	(5,043.30)	(1,862.92)
(b) Transmission Equipment	7,429.88	4,809.29	2,486.72	17,154.51	9,470.54
<b>Total</b>	<b>5,921.77</b>	<b>2,956.08</b>	<b>243.22</b>	<b>12,111.21</b>	<b>7,607.62</b>
<b>Less:</b>					
i) Finance Cost	1,257.36	1,300.90	1,640.41	5,426.89	6,963.25
ii) Other unallocated corporate overheads	981.37	185.63	438.57	1,484.08	1,212.00
iii) Unallocable income	(34.98)	(416.97)	(472.36)	(627.94)	(695.42)
<b>Total Profit / (Loss) before Tax</b>	<b>3,718.02</b>	<b>1,866.52</b>	<b>(1,363.40)</b>	<b>5,828.18</b>	<b>127.79</b>
<b>3. SEGMENT ASSETS</b>					
(a) Material Handling Equipment	43,240.68	43,846.85	48,300.02	43,240.68	48,300.02
(b) Transmission Equipment	1,09,016.93	1,03,812.19	1,16,397.78	1,09,016.93	1,16,397.78
(c) Unallocated	17,933.01	18,089.79	18,938.41	17,933.01	18,938.41
<b>Total</b>	<b>1,70,190.62</b>	<b>1,65,748.83</b>	<b>1,83,636.21</b>	<b>1,70,190.62</b>	<b>1,83,636.21</b>
<b>4. SEGMENT LIABILITIES</b>					
(a) Material Handling Equipment	29,601.18	33,603.60	36,824.88	29,601.18	36,824.88
(b) Transmission Equipment	53,155.59	48,923.41	65,686.26	53,155.59	65,686.26
(c) Unallocated	5,497.31	3,626.60	2,899.14	5,497.31	2,899.14
<b>Total</b>	<b>88,254.08</b>	<b>86,153.61</b>	<b>1,05,410.28</b>	<b>88,254.08</b>	<b>1,05,410.28</b>
<b>5. NET CAPITAL EMPLOYED</b>	<b>81,936.54</b>	<b>79,595.22</b>	<b>78,225.93</b>	<b>81,936.54</b>	<b>78,225.93</b>

Place : Vallabh Vidyanagar  
Date : 27 May, 2021



(For and on behalf of Board of Directors,  
  
Prayasvin B. Patel  
Chairman & Managing Director  
DIN : 00037394



**STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

Particulars	(Amounts in INR Lakhs)	
	As at	As at
	31 Mar 2021 (Audited)	31 Mar 2020 (Audited)
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	54,706.63	58,469.68
(b) Right-of-use assets	3,840.57	3,914.42
(c) Capital work-in-progress	30.96	18.17
(d) Investment properties	2,547.00	2,559.99
(e) Intangible assets	299.97	426.76
(f) Financial assets		
(i) Investments	11,865.28	11,915.16
(ii) Loans	6.53	6.53
(iii) Other financial assets	1,047.55	581.69
(g) Income tax assets (net)	2,020.33	2,336.29
(h) Other non-current assets	1,175.17	1,244.90
	<b>77,539.99</b>	<b>81,473.59</b>
<b>II. Current assets</b>		
(a) Inventories	17,610.95	22,835.51
(b) Financial assets		
(i) Trade receivables	46,688.78	55,899.34
(ii) Cash and cash equivalents	1,594.15	521.80
(iii) Bank balance other than (ii) above	3,466.41	1,952.43
(iv) Loans	1,302.48	1,391.70
(v) Other financial assets	19,178.46	15,469.44
(c) Other current assets	2,809.39	4,092.40
	<b>92,650.62</b>	<b>1,02,162.62</b>
<b>Total Assets</b>	<b>1,70,190.61</b>	<b>1,83,636.21</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,244.00	2,244.00
(b) Other equity	79,692.54	75,981.93
	<b>81,936.54</b>	<b>78,225.93</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	11,615.40	13,130.67
(ii) Lease liabilities	1,640.51	2,718.52
(b) Provisions	336.63	199.32
(c) Deferred tax liabilities (net)	2,999.11	769.12
	<b>16,591.65</b>	<b>16,817.63</b>
<b>II. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	8,964.80	20,388.89
(ii) Lease liabilities	1,107.26	969.03
(iii) Trade payables		
Total outstanding dues of micro and small enterprises	4,367.94	8,191.05
Total outstanding dues of other than micro and small enterprises	31,793.04	37,619.26
(iv) Other financial liabilities	5,942.12	5,310.31
(b) Other current liabilities	15,469.39	12,162.28
(c) Provisions	2,466.69	2,139.02
(d) Current tax liabilities (net)	1,551.18	1,812.81
	<b>71,662.42</b>	<b>88,592.65</b>
<b>Total Liabilities</b>	<b>88,254.07</b>	<b>1,05,410.28</b>
<b>Total Equity and Liabilities</b>	<b>1,70,190.61</b>	<b>1,83,636.21</b>

For and on behalf of Board of Directors


 Prayasvin B. Patel  
 Chairman & Managing Director  
 DIN : 00037394

 Place : Vallabh Vidyanagar  
 Date : 27 May, 2021

**ELECON ENGINEERING COMPANY LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(Amounts in INR Lakhs)

Particulars	Year ended 31 Mar 2021 (Audited)	Year ended 31 Mar 2020 (Audited)
<b>Cash flow from operating activities</b>		
<b>Profit before Tax</b>	<b>5,828.18</b>	<b>127.79</b>
<b>Adjustments for:</b>		
(i) Depreciation and amortisation expense	4,231.33	4,369.33
(ii) Finance costs	5,426.89	6,963.25
(iii) (Gain)/loss on fair valuation of investment	(57.41)	81.19
(iv) Loss on sold/discarded of Property, Plant and Equipments (net)	27.11	81.61
(v) Interest income	(214.16)	(249.90)
(vi) Dividend income	(344.68)	(67.60)
(vii) Bad debt written off	11,418.90	3,136.74
(viii) Excess provision on doubtful debts written back	(7,362.77)	(2,861.73)
(ix) Unrealised exchange (gain) / loss	(319.81)	396.54
(x) Provision for contractual liabilities, warranty and others	495.30	494.88
(xi) Increase / (reversal) of provision for onerous contract	145.78	(89.52)
(xii) Liabilities written back	(113.22)	-
	<b>19,161.44</b>	<b>12,382.58</b>
<b>Working Capital Adjustments</b>		
Decrease/(increase)/ in trade receivables	5,180.64	(1,446.49)
Decrease in inventories	5,224.56	1,047.05
(Increase)/decrease in financial assets	(3,620.80)	3,182.93
Decrease in other current and non-current assets	1,352.74	3,176.23
(Decrease)/increase in trade payables	(9,242.51)	11,062.49
Increase in provisions, current and non-current liabilities	3,243.43	191.20
Increase/(decrease) in other financial liabilities	592.11	(12,253.94)
	<b>21,891.61</b>	<b>17,342.05</b>
<b>Cash generated from operations</b>	<b>21,891.61</b>	<b>17,342.05</b>
Tax refund (net of taxes paid)	57.92	(293.18)
	<b>21,949.53</b>	<b>17,048.87</b>
<b>Net cash generated from operating activities (A)</b>	<b>21,949.53</b>	<b>17,048.87</b>
<b>Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment	(377.63)	(1,238.47)
Proceeds from sale of property, plant and equipment	126.58	36.32
Interest received	203.26	259.76
Dividend received	341.09	67.60
(Increase) in bank balances not considered as cash and cash equivalent (net)	(1,967.94)	(984.13)
Other bank balances acquired pursuant to merger	-	423.65
Proceeds from redemption of investments	107.29	139.21
	<b>(1,567.35)</b>	<b>(1,296.06)</b>
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(1,567.35)</b>	<b>(1,296.06)</b>





**ELECON ENGINEERING COMPANY LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(Amounts in INR Lakhs)

Particulars	Year ended	Year ended
	31 Mar 2021	31 Mar 2020
	(Audited)	(Audited)
<b>Cash flow from financing activities</b>		
Repayment from non current borrowings	(1,847.05)	(3,040.57)
Repayment of current borrowings (net) (note 3)	(11,443.40)	(9,003.35)
Proceeds from financing arrangements	-	4,199.15
Repayment against financing arrangements	(944.04)	(570.64)
Finance cost paid	(5,022.39)	(6,839.98)
Dividend paid (including dividend distribution tax)	(13.71)	(290.98)
Principal payment of lease liabilities	(39.24)	(37.39)
<b>Net cash (used in) financing activities (C)</b>	<b>(19,309.83)</b>	<b>(15,583.76)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>1,072.35</b>	<b>169.05</b>
<b>Cash and cash equivalents at 1 April</b>	<b>521.80</b>	<b>352.75</b>
<b>Cash and cash equivalents as at Balance Sheet date</b>	<b>1,594.15</b>	<b>521.80</b>
<b>Components of cash &amp; cash equivalents :</b>		
Cash on hand	0.26	0.26
Balances with banks		
-In current accounts	1,572.89	521.54
Cheques on hand	21.00	-
	<b>1,594.15</b>	<b>521.80</b>

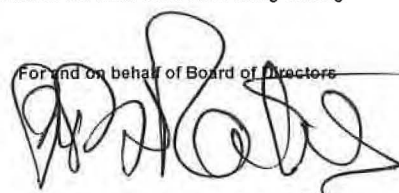
**Notes:**

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

Place : Vallabh Vidyanagar  
 Date : 27 May, 2021



For and on behalf of Board of Directors



**Prayasvin Patel**  
 Chairman & Managing Director  
 DIN : 00037394

# B S R & Co. LLP

Chartered Accountants

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Near Vodafone House,  
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Fax: +91 79 7145 0050

## Independent Auditors' Report

### To the Board of Directors of Elecon Engineering Company Limited

#### Report on the audit of the Standalone Annual Financial Results

##### Opinion

We have audited the accompanying standalone annual financial results of Elecon Engineering Company Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.



**Independent Auditors' Report on Standalone Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

**Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





## **B S R & Co. LLP**

### **Independent Auditors' Report on Standalone Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matters**

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

#### **For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No. 101248W/W-100022



**Rupen Shah**

*Partner*

Membership No. 116240

Place: Mumbai

Date: 27 May 2021

ICAI UDIN: 21116240AAAABN1546





**ELECON ENGINEERING COMPANY LIMITED**  
**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021**

(Amounts in INR Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		31 March 2021	31 Dec 2020	31 March 2020	31 March 2021	31 March 2020
		(Audited) Refer Note 2	(Unaudited)	(Audited) Refer Note 2	(Audited)	(Audited)
1	Revenue from operations	35,013.24	29,613.81	26,849.38	1,04,470.65	1,08,846.49
2	Other income	98.32	179.21	56.52	572.73	784.95
3	<b>Total Income (1+2)</b>	<b>35,111.56</b>	<b>29,793.02</b>	<b>26,905.90</b>	<b>1,05,043.38</b>	<b>1,09,631.44</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	14,638.36	13,501.48	9,695.54	43,910.33	49,688.95
	(b) Changes in inventories of finished goods and work-in-progress	1,930.18	905.36	4,050.78	4,625.73	653.07
	(c) Manufacturing expenses and erection charges	2,105.41	2,125.48	2,114.00	7,677.93	14,223.88
	(d) Employee benefits expense	3,482.99	2,538.01	3,418.81	11,793.91	13,391.68
	(e) Finance costs	1,444.08	1,420.30	1,878.97	5,980.63	7,703.52
	(f) Depreciation and amortisation expense	1,296.37	1,280.13	1,603.09	5,211.23	5,325.81
	(g) Other expenses	5,505.06	4,947.78	4,743.76	17,901.85	16,851.18
	<b>Total Expenses</b>	<b>30,402.45</b>	<b>26,718.54</b>	<b>27,504.95</b>	<b>97,101.61</b>	<b>1,07,838.09</b>
5	<b>Profit before share in profit of associate and tax (3-4)</b>	<b>4,709.11</b>	<b>3,074.48</b>	<b>(599.05)</b>	<b>7,941.77</b>	<b>1,793.35</b>
6	Share in profit of associate (net of tax)	4.20	52.81	19.56	187.39	157.69
7	<b>Profit before tax (5+6)</b>	<b>4,713.31</b>	<b>3,127.29</b>	<b>(579.49)</b>	<b>8,129.16</b>	<b>1,951.04</b>
8	<b>Tax expenses</b>					
	Current tax	42.31	18.88	104.72	134.28	216.73
	Adjustment of tax relating to earlier periods	30.09	-	-	30.09	-
	Deferred tax (Refer note 4 (a) & (b))	1,478.40	641.09	(7,704.69)	2,201.69	(7,235.84)
9	<b>Net Profit for the period after tax (7-8)</b>	<b>3,162.51</b>	<b>2,467.32</b>	<b>7,020.48</b>	<b>5,763.10</b>	<b>8,970.15</b>
10	Non-controlling interest	-	-	-	-	-
11	<b>Net Profit after tax and non controlling interest (9-10)</b>	<b>3,162.51</b>	<b>2,467.32</b>	<b>7,020.48</b>	<b>5,763.10</b>	<b>8,970.15</b>
12	<b>Other comprehensive income/(expense) (net of tax)</b>					
	(i) Items that will not be reclassified to profit or loss	492.07	(269.15)	(733.11)	352.87	(745.52)
	Income tax related to items that will not be reclassified to profit or loss	(35.96)	46.16	150.31	(28.22)	154.65
	(ii) Items that will be reclassified to profit or loss	(4.23)	407.84	470.26	417.70	504.20
13	<b>Total comprehensive income/(expense) for the period (11+12)</b>	<b>3,614.39</b>	<b>2,652.17</b>	<b>6,907.94</b>	<b>6,505.45</b>	<b>8,883.48</b>
14	<b>Paid-up equity share capital</b> (Face value per equity share INR 2/-)	2,244.00	2,244.00	2,244.00	2,244.00	2,244.00
15	<b>Debt capital #</b>				9,571.43	10,000.00
16	<b>Other equity (including debenture redemption reserve)</b>				89,680.83	83,175.38
17	<b>Debt redemption reserve</b>				2,500.00	2,500.00
18	<b>Earnings per share (of INR 2/- each) (not annualised) (In Rupees)</b>					
	(a) Basic	2.82	2.20	6.25	5.14	7.99
	(b) Diluted	2.82	2.20	6.25	5.14	7.99
19	<b>Debt Equity Ratio</b>				0.36	0.57
20	<b>Debt Service Coverage Ratio</b>				1.02	1.55
21	<b>Interest Service Coverage Ratio</b>				2.52	1.29

# Represents Non convertible debentures

**Ratios have been computed as follows:**

a) Debt Equity Ratio : Debt / Equity

Debt: Non-current borrowings + Current maturity of non-current borrowings + Current borrowings + Lease liabilities

Equity : Equity share capital + Other equity

b) Debt Service Coverage Ratio : (EBIT-Tax expenses) / Debt to be serviced

EBIT : Profit Before Tax + Interest on Debt

Debt to be serviced : Interest on Debt + Scheduled principal repayment of non-current borrowings + Current maturity of lease liabilities

c) Interest Service Coverage Ratio : EBIT / Interest on Debt



Cranes



Rubber Industry



Marine Industry



Plastic Industry



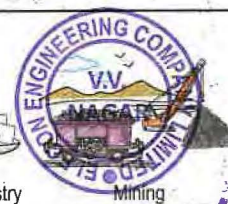
Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

**Gearing industries. Gearing economies.**

**Notes:**

- 1 The above audited consolidated financial results for the quarter and year ended 31 March 2021 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 May 2021. The statutory auditors have expressed an unmodified opinion on these consolidated financial results. The audit report has been filed with the stock exchange and is available on the Holding Company's website.
- 2 Figures for the quarter ended 31 March 2021 and corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures in respect of the full financial year and the published year-to-date figures up to the end of third quarter of the relevant financial year. Also the figures upto the end of third quarter had only been reviewed and not subjected to audit.
- 3 As per Ind AS 108 - 'Operating Segments', the Group has reported segment information under two segments i.e. 1) Material Handling Equipment and 2) Transmission Equipment.
- 4 a) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019, subject to certain conditions. Tax expenses for the year ended 31 March 2020, reflect the impact of expected adoption of this option by the Holding Company basis Management's internal evaluation. Further, tax expenses for the quarter and year ended 31 March 2021, reflect the impact arising from the change in the timing of expected adoption of this option by the Holding Company.  
  
b) At the time of transition to Indian Accounting Standards (Ind AS) with effect from 1 April 2015, the Holding Company had recognised the fair value of its land parcels in the books of account and had also recognised corresponding deferred tax liability considering the future tax obligation that would arise upon sale of land in the expected manner in future (sale of land parcels on a piecemeal basis, delinked from the business). During the year ended 31 March 2020, the Holding Company had reassessed the expected manner of recovery of the carrying value of all land parcels and determined that a number of such land parcels would not be delinked from the business as they either form an integral part of the business operations or are proximate to the factory premises. Consequently, the Holding Company expects that in the event of disposal of most of the land parcels in future, these would only be disposed off along with the business and in a slump sale arrangement thereby resulting in no temporary difference between the accounting position and position as per tax laws upon such future disposal. Basis the above, deferred tax liability aggregating to INR 6,118 lakhs recognised on such land parcels at the time of transition to Ind AS, has been reversed in the Statement of Profit and Loss during the quarter and the year ended 31 March 2020.
- 5 Subsequent to outbreak of COVID-19 pandemic and consequent lock down across the country, the Holding Company's operations have resumed post temporary suspension, as per the guidelines and norms prescribed by the Government authorities. However, the subsidiaries in United Kingdom and USA, which cater to the needs of essential services sector, continued to operate but at reduced levels adhering to guidelines issued by respective local authorities. Subsidiaries operating in other jurisdictions continued to operate as per the guidelines issued by respective local authorities.  
  
The Group continues to monitor the impact of COVID-19 on its business including customers, supply-chain, employees/workers and logistics. The management has taken specific steps by way of negotiating better payment terms for new orders and cost rationalization initiatives to manage the cash flows and liquidity position. The Group has considered internal and external information while evaluating various estimates in relation to its financial results up to the date of its approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions.  
  
Further impact of the COVID-19 pandemic, if any, may be different from estimated as at the date of approval of these financial results and the Group believes that no precise estimation can be made about the actual impact of the pandemic on the overall economy, specific industry sectors and the Group itself at this stage but is closely monitoring the emerging situation.
- 6 The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Holding Company towards Provident Fund and Gratuity. The Group will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.
- 7 Board of directors recommended dividend of Rs. 0.40/- (20%) per equity share of Rs. 2/- each amounting to Rs. 448.80 Lakhs for the year 2020-21.
- 8 Previous period figures have been regrouped / reclassified wherever necessary.






## AUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(Amounts in INR Lakhs)

Particulars	Quarter ended			Year ended	Year ended
	31 March 2021	31 Dec 2020	31 March 2020	31 March 2021	31 March 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Refer Note 2		Refer Note 2		
<b>1. SEGMENT REVENUE</b>					
(a) Material Handling Equipment	5,528.37	3,002.28	3,107.93	13,924.65	22,897.76
(b) Transmission Equipment	29,484.87	26,611.53	23,741.45	90,546.00	85,948.73
<b>Net Sales/Income from Operations</b>	<b>35,013.24</b>	<b>29,613.81</b>	<b>26,849.38</b>	<b>1,04,470.65</b>	<b>1,08,846.49</b>
<b>2. SEGMENT RESULTS(PROFIT)(+)/LOSS(-) BEFORE TAX &amp; INTEREST FROM EACH SEGMENT</b>					
(a) Material Handling Equipment	(1,508.11)	(1,853.21)	(2,243.50)	(5,043.30)	(1,862.92)
(b) Transmission Equipment	7,863.29	6,488.02	4,148.41	19,601.10	12,340.14
<b>Total</b>	<b>6,355.18</b>	<b>4,634.81</b>	<b>1,904.91</b>	<b>14,557.80</b>	<b>10,477.22</b>
<b>Less:</b>					
i) Finance costs	1,444.07	1,420.30	1,878.97	5,980.63	7,703.52
ii) Other unallocated corporate overheads	269.44	236.01	780.38	879.29	1,291.68
iii) Unallocable income	(71.64)	(148.79)	(174.95)	(431.28)	(469.02)
<b>Total Profit before tax</b>	<b>4,713.31</b>	<b>3,127.29</b>	<b>(579.49)</b>	<b>8,129.16</b>	<b>1,951.04</b>
<b>3. SEGMENT ASSETS</b>					
(a) Material Handling Equipment	43,240.68	43,846.85	48,300.02	43,240.68	48,300.02
(b) Transmission Equipment	1,50,817.53	1,41,531.57	1,57,848.06	1,50,817.53	1,57,848.06
(c) Unallocated	5,215.40	11,323.72	7,350.23	5,215.40	7,350.23
<b>Total</b>	<b>1,99,273.61</b>	<b>1,96,702.14</b>	<b>2,13,498.31</b>	<b>1,99,273.61</b>	<b>2,13,498.31</b>
<b>4. SEGMENT LIABILITIES</b>					
(a) Material Handling Equipment	29,601.18	33,603.60	36,824.88	29,601.18	36,824.88
(b) Transmission Equipment	72,079.65	71,038.75	88,330.71	72,079.65	88,330.71
(c) Unallocated	5,667.95	3,749.35	2,923.34	5,667.95	2,923.34
<b>Total</b>	<b>1,07,348.78</b>	<b>1,08,391.70</b>	<b>1,28,078.93</b>	<b>1,07,348.78</b>	<b>1,28,078.93</b>
<b>5.NET CAPITAL EMPLOYED</b>	<b>91,924.83</b>	<b>88,310.44</b>	<b>85,419.38</b>	<b>91,924.83</b>	<b>85,419.38</b>



For and on behalf of Board of Directors



Prayasvin B. Patel

Chairman &amp; Managing Director

DIN : 00037394

Place : Vallabh Vidyanagar

Date : 27 May, 2021

**ELECON ENGINEERING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

Particulars	(Amounts in INR Lakhs)	
	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	54,834.46	58,952.82
(b) Right-of-use assets	5,900.08	6,539.90
(c) Capital work-in-progress	30.96	40.50
(d) Investment properties	2,547.00	2,559.99
(e) Goodwill	10,712.15	9,890.03
(f) Other intangible assets	1,797.64	1,952.41
(g) Investments accounted for using the equity method	5,312.85	5,173.57
(h) Financial assets		
(i) Investments	30.74	80.62
(ii) Loans	6.53	6.53
(iii) Other financial assets	1,047.55	581.69
(i) Deferred tax assets (net)	501.73	561.25
(j) Income tax assets (net)	2,020.33	2,336.29
(k) Other non-current assets	1,175.17	1,244.90
	<b>85,917.19</b>	<b>89,920.50</b>
<b>II. Current assets</b>		
(a) Inventories	25,022.35	30,655.12
(b) Financial assets		
(i) Trade receivables	50,773.61	61,207.21
(ii) Cash and cash equivalents	9,614.49	7,728.06
(iii) Bank balances other than (ii) above	4,533.96	3,020.18
(iv) Loans	420.95	578.95
(v) Other financial assets	19,187.34	15,478.56
(c) Current tax assets (net)	3,803.72	4,909.73
	<b>1,13,356.42</b>	<b>1,23,577.81</b>
<b>Total Assets</b>	<b>1,99,273.61</b>	<b>2,13,498.31</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,244.00	2,244.00
(b) Other equity	89,680.83	83,175.38
	<b>91,924.83</b>	<b>85,419.38</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	11,741.59	14,643.16
(ii) Lease liabilities	3,229.12	4,854.61
(b) Non-current provisions	5,466.95	6,266.94
(c) Deferred tax liabilities (net)	3,024.35	793.32
(d) Other non-current liabilities	-	5.58
	<b>23,462.01</b>	<b>26,563.61</b>
<b>II. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	13,016.62	25,514.08
(ii) Lease liabilities	1,664.11	1,485.52
(iii) Trade payables		
-Total outstanding dues of micro and small enterprises	4,367.94	8,191.05
-Total outstanding dues of creditors other than micro and small enterprises	38,066.53	43,734.86
(iv) Other financial liabilities	7,854.13	5,310.32
(b) Other current liabilities	14,624.95	13,209.19
(c) Current provisions	2,595.91	2,257.49
(d) Current tax liabilities (net)	1,696.58	1,812.81
	<b>83,886.77</b>	<b>1,01,515.32</b>
<b>Total Liabilities</b>	<b>1,07,348.78</b>	<b>1,28,078.93</b>
<b>Total Equity and Liabilities</b>	<b>1,99,273.61</b>	<b>2,13,498.31</b>



Place : Vallabh Vidyanagar  
 Date : 27 May, 2021

For and on behalf of Board of Directors

Prayashvin B. Patel  
 Chairman & Managing Director  
 DIN : 00037394



**ELECON ENGINEERING COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(Amounts in INR Lakhs)

Particulars	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Cash flow from operating activities</b>		
Profit before tax	8,129.16	1,951.04
Adjustments for:		
(i) Share of profit of associates	(187.39)	(157.69)
(ii) Depreciation and amortisation expense	5,211.23	5,325.81
(iii) Finance costs	5,980.63	7,703.52
(iv) (Gain)/loss on fair valuation of investment	(57.41)	81.19
(v) Loss on sold/discarded of property, plant and equipments (net)	18.90	69.23
(vi) Interest income	(220.96)	(240.95)
(vii) Dividend income	(0.02)	(0.50)
(viii) Bad debts written off	11,418.69	3,224.18
(ix) Unrealised exchange (gain)/loss	(527.82)	35.56
(x) Provision for other contract liabilities, warranty and others	506.05	532.65
(xi) Increase/(reversal) of provision for onerous contract	145.78	(89.52)
(xii) Liabilities no longer required, written back	(113.22)	-
(xiii) Excess provision on doubtful debts written back	(7,362.77)	(2,861.73)
	<b>22,940.85</b>	<b>15,572.79</b>
<b>Working Capital Adjustments</b>		
Decrease/(increase) in trade receivables	6,499.86	(2,066.47)
Decrease in inventories	5,632.77	1,267.44
(Increase)/decrease in financial assets	(3,551.77)	4,167.02
Decrease in other current and non-current assets	1,175.74	3,443.72
(Decrease)/increase in trade payables	(9,236.12)	11,295.40
Increase in provisions, other current and non-current liabilities	710.29	1,252.43
Increase/(decrease) in other financial liabilities	592.10	(12,324.52)
	<b>24,763.72</b>	<b>22,607.81</b>
<b>Cash generated from operations</b>	<b>24,763.72</b>	<b>22,607.81</b>
Tax refund (net of taxes paid)	38.95	(391.78)
<b>Net cash generated from operating activities (A)</b>	<b>24,802.67</b>	<b>22,216.03</b>
<b>Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment	(396.67)	(1,355.54)
Proceeds from sale of property, plant and equipment	134.79	49.92
Interest received	210.06	145.14
Dividend received	0.02	0.50
Increase in bank balances not considered as cash and cash equivalents (net)	(1,967.75)	(1,577.83)
Dividend received from associate	44.51	67.11
Proceeds from redemption of investments	107.29	139.21
	<b>(1,867.75)</b>	<b>(2,531.49)</b>
<b>Net cash (used in) from investing activities (B)</b>	<b>(1,867.75)</b>	<b>(2,531.49)</b>



**ELECON ENGINEERING COMPANY LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(Amounts in INR Lakhs)

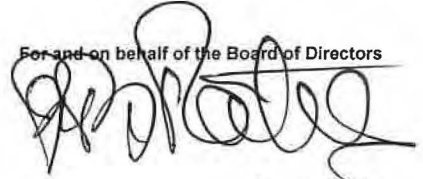
Particulars	Year ended	
	31 March 2021 (Audited)	31 March 2020 (Audited)
<b>Cash flow from financing activities</b>		
Repayment of non current borrowings	(2,394.71)	(10,182.51)
Repayment of current borrowings (net) (Note 3)	(11,443.40)	(2,629.16)
Proceeds from other financing arrangements	-	4,199.15
Repayment against other financing arrangements	(944.03)	(570.64)
Finance cost paid	(5,576.13)	(7,580.22)
Dividend paid (including dividend distribution tax)	(13.71)	(290.98)
Principal payment of lease liabilities	(676.51)	(506.37)
<b>Net cash (used in) financing activities (C)</b>	<b>(21,048.49)</b>	<b>(17,560.73)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,886.43</b>	<b>2,123.81</b>
<b>Cash and cash equivalents at 1 April</b>	<b>7,728.06</b>	<b>5,604.25</b>
<b>Cash and cash equivalents as at Balance Sheet date</b>	<b>9,614.49</b>	<b>7,728.06</b>
<b>Components of cash and cash equivalents :-</b>		
Cash on hand	0.26	0.26
Balances with banks		
-In current accounts	9,593.23	7,727.80
Cheques on hand	21.00	-
	<b>9,614.49</b>	<b>7,728.06</b>

**Notes:**

- Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) - *Statement of Cash Flows*.
- In accordance with para 22 of Ind AS 7 - *Statement of Cash Flows*, cash flows from current borrowings have been reported on net basis since these being working capital facilities, the maturities are short.

 Place : Vallabh Vidyanagar  
 Date : 27 May, 2021


For and on behalf of the Board of Directors


**Prayasvin Patel**  
 Chairman & Managing Director  
 DIN : 00037394



# B S R & Co. LLP

Chartered Accountants

903 Commerce House V,  
Near Vodafone House,  
Prahaldnagar, Corporate Road,  
Ahmedabad - 380 051 - India

Telephone: +91 79 7145 0001  
Fax: +91 79 7145 0050

## Independent Auditors' Report

### To the Board of Directors of Elecon Engineering Company Limited

#### Report on the audit of the Consolidated Annual Financial Results

##### Opinion

We have audited the accompanying consolidated annual financial results of Elecon Engineering Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31 March 2021 (the "consolidated annual financial results"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and an associate, the aforesaid consolidated annual financial results:

- include the annual financial results of the entities as per Annexure - 1;
- are presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit, other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

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**Independent Auditors' Report on Consolidated Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

**Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/loss, other comprehensive income and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





**Independent Auditors' Report on Consolidated Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.





## **B S R & Co. LLP**

### **Independent Auditors' Report on Consolidated Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)**

#### **Other Matters**

- (a) The consolidated annual financial results include the audited financial statements / financial information of 11 subsidiaries, whose financial statements / financial information reflect total assets (before consolidation adjustments) of Rs. 38,138.65 Lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of Rs. 31,476.09 Lakhs, total net profit after tax (before consolidation adjustments) of Rs. 2,365.03 Lakhs and net cash inflows of Rs. 814.09 Lakhs for the year ended on that date, as considered in the consolidated annual financial results. The consolidated annual financial results also include the Group's share of net profit (and other comprehensive income) of Rs. 187.21 Lakhs for the year ended 31 March 2021, in respect of one associate. The independent auditor's reports on financial results / financial information of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- (b) The consolidated annual financial results also include the Group's share of net profit after tax (and other comprehensive income) of Nil for the year ended 31 March 2021, in respect of three associates, whose financial information has not been audited by us or by other auditors. This unaudited financial information as approved by the respective management of these entities, has been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on such unaudited annual financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this unaudited financial information is not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done, and the reports of the other auditors and the financial information certified by the Board of Directors.

- (c) The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No. 101248W/W-100022



**Rupen Shah**

*Partner*

Membership No. 116240

Place: Mumbai

Date: 27 May 2021

ICAI UDIN: 21116240AAAABP4382



**BSR & Co. LLP****Independent Auditors' Report on Consolidated Annual Financial Results of Elecon Engineering Company Limited pursuant to Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)****Annexure – 1: List of entities whose financials results are included in the Consolidated Annual Financial Results**

<b>Sr. No.</b>	<b>Name of Entity</b>	<b>Relationship</b>
1	Radicon Transmission UK Limited (including its following Wholly Owned Step-down subsidiaries):  a) Benzlers Systems AB b) AB Benzlers c) Radicon Drive Systems Inc. d) Benzlers Transmission A.S e) Benzlers Antriebstechnik GmbH f) Benzlers TBA B.V. g) OY Benzlers AB h) Benzlers Italia s.r.l	Wholly Owned Subsidiary
2	Elecon Singapore Pte. Limited	Wholly Owned Subsidiary
3	Elecon Middle East FZE	Wholly Owned Subsidiary
4	Eimco (Elecon) India Limited	Associate
5	Elecon Eng. (Suzhou) Co. Limited	Associate
6	Elecon Africa Pty. Limited	Associate
7	Elecon Australia Pty. Limited	Associate



27<sup>th</sup> May, 2021

To,

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

**Sub : Declaration with respect to Audit Report with unmodified opinion to the Audited Financial Results for the financial year ended 31<sup>st</sup> March, 2021**

Dear Sir/Madam,

We hereby declare that the Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants (Firm Reg. No. 101248W / W100022) have issued the Audit Report with Unmodified Opinion on the Standalone and Consolidated Audited Financial Results for the quarter and year ended on 31<sup>st</sup> March, 2021.

The above declaration is made in pursuant to Regulations 33, 52 and 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,  
For Elecon Engineering Company Limited,

  
Narasimhan R  
Chief Financial Officer



Cranes



Rubber Industry



Marine Industry



Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

**Gearing industries. Gearing economies.**





27<sup>th</sup> May, 2021

To,

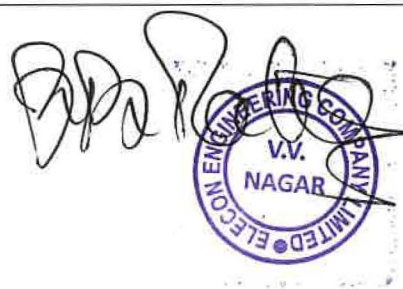
The Manager (Listing),  
 The BSE Limited  
 Mumbai  
 Company's Scrip Code: 505700

**Sub : Intimation under Regulations 52 (4) and 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations")**

Dear Sir/Madam,

With reference to the subject referred regulations, we submit herewith below information with respect to listed 12.25% Senior Secured Rated Listed Redeemable Non-Convertible Debentures ('NCDs') issued by the Company on private placement basis of Rs. 100 Crores:-

Matters required to be disclosed under Regulation 52(4)	Details disclosed as on 31 <sup>st</sup> March, 2021
Credit Rating and change in credit rating (if any);	All the NCDs rated as BWR A minus (Outlook- Stable) by Brickwork Ratings India Private Limited.  Credit rating of said NCDs were reaffirmed at BWR A- (pronounced BWR A Minus) and outlook has been revised to "Negative" from "Stable".
Asset Cover available	1.71 times
Debt Equity Ratio (for financial year ended on 31 <sup>st</sup> March, 2021)	0.31 times




Cranes



Rubber Industry



Marine Industry



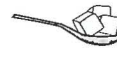
Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

**Gearing industries. Gearing economies.**

Matters required to be disclosed under Regulation 52(4)	Details disclosed as on 31 <sup>st</sup> March, 2021
<p>Previous due date for the payment of interest / <del>dividend of non-convertible preference shares</del> / repayment of principal of <del>non-convertible preference shares</del> / non-convertible debt securities payable and whether the same has been paid or not.</p>	<p>Previous Due date for payment of Interest and repayment of principal on NCDs for the period from 1<sup>st</sup> October, 2020 to 31<sup>st</sup> March, 2021:-</p> <p>Previous Due date for payment of Interest:- 1<sup>st</sup> November, 2020 and 1<sup>st</sup> February, 2021.</p> <p><u>Re-payment of Principal on NCDs for Series I:-</u> 1<sup>st</sup> November, 2020 and 1<sup>st</sup> February, 2021.</p> <p><u>Due date for payment of Redemption Premium on instalment due for Series I:-</u> 1<sup>st</sup> November, 2020 and 1<sup>st</sup> February, 2021.</p> <p>All above said payments were made by the Company on/before the due date.</p>
<p>Next due date for payment of interest/<del>dividend of non-convertible preference shares</del> /principal alongwith the amount of interest/<del>dividend of non-convertible preference shares</del> payable and the redemption amount.</p>	<p>Next due date for payment of interest on <u>NCDs</u> 1<sup>st</sup> April, 2021 to 30<sup>th</sup> September, 2021:- 1<sup>st</sup> May, 2021 (as on date of this disclosure, the same has been paid by due date) and 1<sup>st</sup> August, 2021 amounting to Rs. 2,88,75,073/- and Rs. 2,94,12,952/- respectively.</p> <p><u>Next due date for Re-payment of Principal on NCDs as under for Series I:-</u> 1<sup>st</sup> May, 2021 (as on date of this disclosure, the same has been paid by due date) of Rs. 1,42,85,714/- and 1<sup>st</sup> August 2020 of Rs. 1,42,85,714/-</p> <p><u>Next due date for payment of Redemption Premium on instalment due for Series I:-</u> 1<sup>st</sup> May, 2021 (as on date of this disclosure, the same has been paid by due date) of Rs. 1,42,999/- and 1<sup>st</sup> August, 2021 of Rs. 1,74,692/-</p>
Debt Service Coverage Ratio	1.07 times
Interest Service Coverage Ratio	2.25 times
Outstanding redeemable preference shares (quantity and value)	Not Applicable





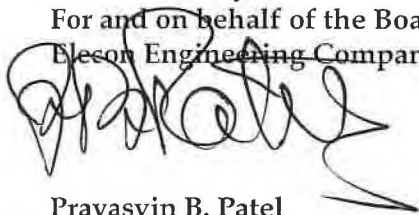
Matters required to be disclosed under Regulation 52(4)	Details disclosed as on 31 <sup>st</sup> March, 2021
Capital Redemption Reserve/Debenture Redemption Reserve	Debenture Redemption Reserve:- Rs. 2,500.00 Lakhs for the year ended 31 <sup>st</sup> March, 2019 & from the year ended 31 <sup>st</sup> March, 2020, additional Debenture Redemption Reserve not required to be created pursuant to the amendment of the Companies (Share Capital and debentures) Amendment Rules, 2019 dated 16th August, 2019 as the said NCDs are listed and privately placed. Hence, same is not created for financial year ended 31 <sup>st</sup> March, 2021.
Net Worth	Rs. 81,936.54 Lakhs
Net Profit After Tax	Rs. 3,626.49 Lakhs (Excl. OCI)
Earnings Per Share	Basic EPS before and after extraordinary items, net of tax expenses (not annualized) is Rs. 3.23 per share  Diluted EPS before and after extraordinary items, net of tax expenses (not annualized) is Rs. 3.23 per share

Kindly, take the above on your record.

Thanking you,

Yours faithfully,

For and on behalf of the Board of Directors,  
Elecon Engineering Company Limited



Prayasvin B. Patel  
Chairman & Managing Director  
DIN:- 00037394



Date:- 27<sup>th</sup> May, 2021

Place:- Vallabh Vidyanagar