





About Cover

At Elecon we have always strived to ensure that we preserve our environment. Our thought personified by our action by having green spaces and landscape gardens within our premises.

We are geared up for sustainable development. We try to inculcate the beauty of nature and mould ourselves into it rather than the other way round.

Bhanubhai Memorial Centre of Excellence (BMCE) is a modern engineering plant that has been built to double the gear box manufacturing capacity with world class quality and to ensure on-time delivery even within a short span of time.

We have over 5 decades of research and innovations in the gear technology in which we have developed variety of products in the transmission industry. Glimpses of our this experience can be seen in this plant that will produce internal components of the helical gear box which has a capacity to manufacture 1000 gear boxes per month.

We live by our motto of **'Lets preserve the environment'**. Our new centre of excellence, a tribute to our founder **Late Shri Bhanubhai Patel**, carries forward his legacy and thought that industrial development and environmental development can co-exist and flourish. The name **'Bhanubhai Memorial Centre of Excellence'** tells us about that great man for whom excellence was a way of life.

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Elecon at Glance

Elecon Group was established in 1951 in Goregaon, Mumbai by Ishwarbhai B. Patel. The Company's early focus was on Engineering, Procurement and Construction projects in India. It initially manufactured custom manufacturing conveyor systems under a trading Company.

Elecon Engineering Company Ltd. was incorporated as a Private Limited Company on 11th January 1960. In May 1960, the Company moved to its current location in Vallabh Vidyanagar, Gujarat. Later in June 1962, the Company was listed on the Bombay Stock Exchange.

In 1963, Company has started manufacturing of Transmission Equipments. In 1976, the Company established its separate Gear Division, specialising in power transmission equipment. With vast experience of more than 5 decades, the Company has successfully consolidated its position as Asia's largest gear manufacturing Company, with a significant presence in India as well as abroad. Company was the pioneer in introducing the modular design concept, case hardened and ground gear technology in India. The Company has a proven track record in designing and manufacturing worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes.

Facing all the hurdles of Global as well as Indian slowdown in Engineering Sector, Company has always focused towards success through Guru Mantra "Innovation, Change and Adaptability to change".

Expanding its Gear Box manufacturing capacity, the Company has set up a new plant for Gear manufacturing. The new plant has been built to double the Gear Box manufacturing capacity from 500 Gear Boxes from month to 1000 Gear Boxes per month. Elecon will produce internal component of Helical Gear Box at its new plant.

State of the art manufacturing facilities at new plant include fully automated machine lines; comprehensive production capacity; a dedicated work force and a responsive after sales service.

In October 2010, Company acquired the Benzlers-Radicon Group, the power transmission business of UK-based David Brown Ltd. to expand its reach in international market.

Business activities of Elecon has spread out in the area covering wide space of 2,59,075.15 sq. meters together with all infrastructure facilities, buildings and structures thereon.

Board of Directors



Shri Prayasvin B. Patel

Chairman and Managing Director



Shri Prashant C. Amin

Executive Director



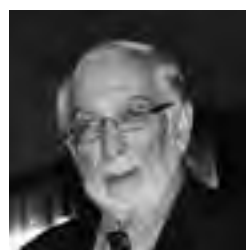
Shri Pradip M. Patel



Shri Chirayu R. Amin



Shri Hasmukhlal S. Parikh



Shri Jal R. Patel



Shri Jai S. Diwanji

Chief Financial Officer

Shri Hemendra C. Shah

Company Secretary

Shri Pares M. Shukla

Auditors

Thacker Butala Desai
Chartered Accountants
Navsari

Bankers

State Bank of India
Bank of Baroda
EXIM Bank of India
Axis Bank Limited
HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank

Registered Office

Anand Sojitra Road,
Vallabh Vidyanagar-388120
Gujarat, India.

Five years at a glance

	(₹ in Mn.)										
	Consolidated#		Standalone#		Consolidated#	Standalone#	Consolidated#	Standalone	Consolidated#	Standalone	Standalone
PARTICULARS	2013-2014		2013-2014		2012-2013	2012-2013	2011-12	2011-12	2010-11	2010-11	2009-10
	US \$ Mn.	₹ Mn.	US \$ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.	₹ Mn.
TURNOVER	215.1	12,929	83.4	5,012	15,268	5,952	16,132	13,317	12,843	11,739	10,464
TOTAL INCOME	217.7	13,083	86.3	5,188	15,342	6,063	16,212	13,391	13,129	12,024	10,711
EARNING BEFORE DEPRECIATION, INTEREST & TAX	24.9	1,497	16.7	1,001	2,082	1,027	2,102	2,027	1,885	1,814	1,496
DEPRECIATION & AMORTISATION EXPENSES	10.3	616	7.6	454	571	420	486	424	416	394	331
PROFIT AFTER TAX & MINORITY INTEREST	2.3	137	4.6	274	179	85	611	696	900	879	662
EQUITY DIVIDEND	1.9	112	1.8	109	109	109	171	167	167	167	139
DIVIDEND%	-	-	-	50%	-	50%	-	90%	-	90%	75%
EQUITY SHARE CAPITAL	3.6	218	3.6	218	218	218	186	186	186	186	186
RESERVE & SURPLUS	84.9	5,103	78.2	4,699	5,160	4,543	4,401	4,262	3,998	3,760	3,075
NET WORTH	88.5	5,321	81.8	4,917	5,378	4,761	4,587	4,448	4,184	3,946	3,235
GROSS FIXED ASSETS	158.1	9,500	105.6	6,346	9,427	6,325	8,291	6,912	6,997	5,762	5,273
NET FIXED ASSETS	91.5	5,500	63.3	3,805	5,827	4,186	5,222	4,469	4,386	3,719	3,622
TOTAL ASSETS	342.9	20,607	176.8	10,624	21,259	10,792	19,198	16,794	16,968	14,674	12,968
NUMBER OF EMPLOYEES(Nos.)				577		697		1,290		1,197	1,069
KEY INDICATORS	US \$		US \$								
BASIC EARNINGS PER SHARE(₹)	0.02	1.26	0.04	2.52	1.65	0.78	6.58	7.49	9.69	9.47	7.13
DEBT EQUITY RATIO											
(TOTAL DEBT:EQUITY)	-	1.19	-	0.53	1.30	0.54	1.45	1.21	1.55	1.34	1.61
EBIDTA*/TURNOVER %	-	11.58	-	19.97	13.64	17.26	13.03	15.22	14.68	15.45	14.29
NET PROFIT MARGIN%	-	1.06	-	5.47	1.17	1.43	3.79	5.23	7.00	7.49	6.32
RETURN ON NET WORTH%	-	2.58	-	5.58	3.33	1.79	13.32	15.65	21.50	22.28	20.46
RETURN ON CAPITAL EMPLOYED%	-	1.19	-	3.60	1.50	1.17	5.65	7.23	8.68	9.81	7.52

Financial details of FY 14, FY 13, FY 12 & FY11 are as per Revised Schedule VI format.

Exchange Rate: 1 US\$ = ₹ 60.10 (as on 31-3-2014).

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

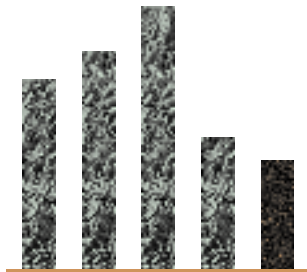
Performance Indicators

Net Sales

₹ in Mn

(15.79%)

decrease from 2013



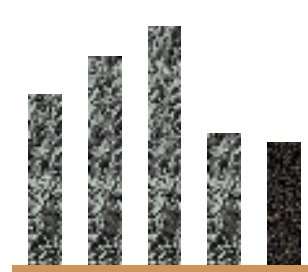
2010 - 2014

EBIDTA

₹ in Mn

(2.57%)

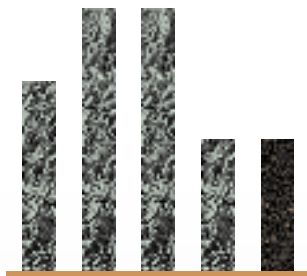
decrease from 2013



2010 - 2014

Dividend

₹ in %



2010 - 2014

*Decrease because of Scheme of Arrangement.



BMCE - Blend of State of the Art facility & Nature's preservation

Management Insight



"Elecon Group of Companies are catering to core sectors and across industries in the economy of the Country as well as exporting majorly industrial gears in the international market.

We have created adequate infrastructure facilities over several years. We are poised to take a quantum leap in terms of growth without any further significant capital expenditure once the economic environment in the country is improved in real terms."

Prayasvin Patel

- Chairman & Managing Director



The phase of challenging economic environment has been effectively utilized by the management of the company to become lean and efficient. With the support of resounding mandate of the people, we look forward to faster reforms and clearances of various projects and orders by the government. The optimism in the financial markets is expected to bring in fresh investment which will aid in implementing the final phase of our restructuring exercise. The management is confident of achieving its objective with the support of its dedicated employees and the trust of its stakeholders.

Prashant Amin

- Executive Director



In FY 2013-14, India witnessed economic downturn leading to various challenges. But we viewed it as an opportunity to evaluate our operations to energize ourselves and our businesses and focused on various initiatives including cost control/reduction measures to improve our operational efficiencies and de-risk our business.

Our diversified business model is unique with interests in the form of operating businesses, subsidiaries, joint ventures and strategic investments. This variety allows our shareholders to partake growth in our entire range of industrial gears & material handling equipments businesses. These sectors are essential parts of the Indian economy, and with expected growth in the Indian economy, we hope to perform better in FY 2015 and will stay committed to improving operational efficiencies, deriving value from group synergies and continuing to reward all stakeholders with a shared commitment towards profitability and sustainability.

Hemendra Shah - Chief Financial Officer



"This is the completion of one full year after separation of two units of Elecon Engineering into two separate Companies. However recession has not allowed us to grow. This is the time of finding and improving the shortcomings in our products as well as focusing on minimization of cost. As the market is slowly opening, few sectors have already started pouring their demands, we must realize their urgent needs and en-cash the opportunity by improving OTD.

By taking right decision and issuing necessary mandate as well as by flip-flop alteration in process, an opportunity has come to correct the system. We all must take full advantage of the same by putting our own efforts in a right way.

Our present TPM learnings shall any way make us more competitive and adaptable to greater challenges and also make us able to grow our global reach."

Vilas Kalyankar - Chief Executive Officer

Corporate Social Responsibility



ELECON is continuing to embrace its commitment towards Corporate Social Responsibility related activities under the ambit of its theme of 'Nurturing Sustainability'. The Company promotes this doctrine to expand its social stewardship to a broader group of stakeholders in addition to their customary obligations towards its Stockholders.

Our CSR activities are propelled by imparting quality life to its internal as well external customers. A few examples being – imparting knowledge, providing a safe work place, reducing the adverse environmental impact of our operations, etc.

Rigorous efforts are continued through its Social Pillars viz, EL CARE and ELF (Elecon Ladies Forum). The pillars constantly contributes to cultivate, nourish and nurture the health of people by organizing Blood Donation Camps, Eye check up and Eye donation. It also extends support to Orphanage Homes, Old Age Homes, for Higher Education and Health Care Support to the deserving people.

EL CARE, with a belief – “Empowering Women leads to Empowerment of Society”, constantly strives towards its commitment of improving the women life by means of education, campaigns and donations. The organization has acknowledged the need of being 'responsible' along with being 'profitable'.

The Company has extended its hands generously to Charutar Vidyamandal (CVM) for establishment of Women's Engineering College under the name of Madhuben &



Bahnubhai Patel Women Institute of Engineering for Studies & Research in Computer & Communication Technology (MBICT) at New Vallabh Vidyanagar.

Bhanubhai & Madhuben Patel Cardiac Centre

Bhanubhai & Madhuben Patel Cardiac Centre (BMPCC) is constructed and developed by Elecon group and managed by Charutar Arogya mandal at Shri Krishna Hospital, Karamsad. The trust with its multidisciplinary pediatric support structure and telemedicine service, has performed over 701 surgeries, out of which 381 are pediatric and 320 are adult surgeries. The Centre also keeps on ascending the quality ladder with doing the most complicated cardiac procedures and surgeries, many of which are rarely managed elsewhere in the country.

The Centre provides the most efficient medical care at the affordable rates to underprivileged people of the society. With the most advanced infrastructure and dedicated team of professionals, the Centre is getting patients from other states and quite a few foreign nationals as well.

Strength & Growth Drivers



▲ Inside view of Bhanubhai Memorial Centre of Excellence (BMCE)

ELECON has pioneered in obtaining ISO 9001:2008 version in 2010 in the industrial gear manufacturing industry in India. Its continuous and humble contribution to the industry has made ELECON an ideal choice of gears for various sector viz. Cement, Sugar, Power, Steel, Coal, Ports, etc.

Manufacturing Strength

ELECON has set a distinct standard in all aspects of its functioning. It is constantly improving to meet the need of the hour.

Company has built a new state-of-the-art manufacturing plant as an expansion of the Elecon Gear manufacturing facilities. This modern engineering plant has been built to double the gear box manufacturing capacity, provide world class quality and ensure timely delivery within a short span of time.

The EON/EOS series of Catalogue Gears has recently been launched which are more cost competitive in the market. It is being supported by the state of the art Bhanubhai Memorial Centre of Excellence (BMCE) facility, which improves the total throughput time and also brings down the costs.

Robust efforts in modernising existing capacity to augment increased demand can also be considered as one of the manufacturing strength. Elecon has expanded its activities to new areas like manufacturing of wind mill gear boxes for 1 MW to 2 MW. Thus, Elecon is poised to enjoy first mover advantage leading to sustained growth, higher margin and revenues.

Growth Drivers

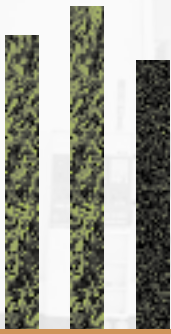
ELECON through recession has been a Herculean task. However, the Company succeeded in maintaining its operational momentum and is looking forward to continue this trend by maintaining competitive manpower cost and high level of technology.

The Company has gained specialised expertise and knowledge over the years in manufacturing Transmission Equipments. The Gear Division over the past years have witnessed growth driven by industrial Capex as gears find applications across all industries such as Power, Steel, Cement, Sugar etc.

The Company is looking forward to penetrate extensively in the Sugar Planetary Gear Boxes, Marine Gear boxes and Wind Mill Gear Boxes business. The Company is also exploring new segments for higher growth viz. Defense, Navy; High Speed Gears; Gears for Plastic Industry and Vertical Roller Mill Drive in Power and Cement industries.

New reforms are on the verge to take the call along with taking steps to counter recession, which in turn will provide more thrust to stability in the price and production of essential commodities resulting into steady momentum in the growth of Indian economy.

Gear Net Sales ₹ in Mn



2012 - 2014

15.79%

Decrease from 2013

₹ 5,012	2014
₹ 5,952	2013
₹ 5,739	2012

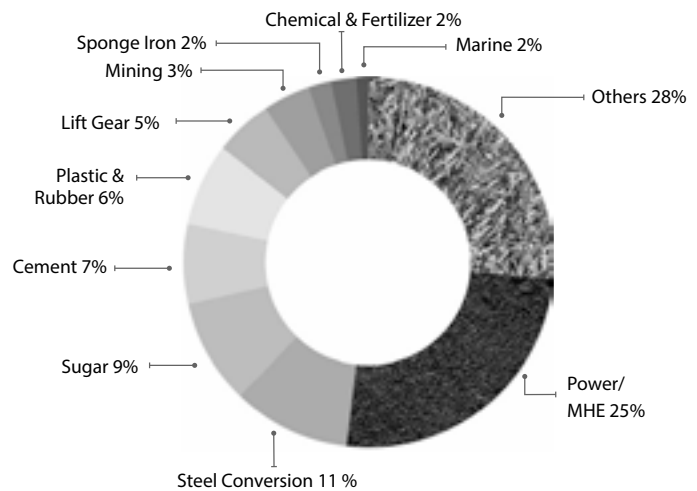


Net Sales
decreased by
15.79 %
₹ 5,952 Mn
in 2012-13 to
₹ 5,012 Mn
in 2013-14



▲
Shaft Mounted
Planetary Gearbox for Sugar Mill Drive

Sales Industrywise



Pending Order Industrywise

