

**ELECON ENGINEERING COMPANY LTD.**

October 27, 2010

**NOTE****FOR THE QUARTER****(Rs. in Crores)**

<b>Particulars (TURNOVER)</b>	<b>HYFY11</b>	<b>HYFY10</b>	<b>Growth (%)</b>
<b>Material Handling Equipments</b>	<b>300</b>	<b>282</b>	<b>6%</b>
<b>GEAR</b>	<b>226</b>	<b>185</b>	<b>22%</b>
<b>Total</b>	<b>526</b>	<b>467</b>	<b>12.44%</b>

**(Rs. in Crores)**

<b>Particulars</b>	<b>HYFY11</b>	<b>HYFY10</b>	<b>Growth (%)</b>
<b>TURNOVER</b>	<b>526</b>	<b>467</b>	<b>12.44%</b>
<b>PBT</b>	<b>39</b>	<b>29</b>	<b>34%</b>
<b>PAT</b>	<b>27.5</b>	<b>19.3</b>	<b>42.8%</b>

**ORDER BOOKED DURING THE YEAR****(Rs in Crores)**

<b>Division</b>	<b>FY11 Up to 30<sup>th</sup> September</b>	<b>FY10</b>	<b>FY09</b>
<b>Material Handling Equipments</b>	<b>510</b>	<b>311</b>	<b>907</b>
<b>GEAR</b>	<b>321</b>	<b>437</b>	<b>427</b>
<b>TOTAL</b>	<b>831</b>	<b>748</b>	<b>1334</b>

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**UNEXECUTED ORDERS AS ON**

(Rs. in Crores)

Division	September 30, 2010	September 30, 2009
Material Handling Equipments	# 1166	1177
GEAR	335	247
<b>Total</b>	<b>1501</b>	<b>1424</b>

**# It Includes the Order of Brahmani Industries Ltd. amounting Rs. 323 Crores which is temporarily under hold.**

**QUARTERWISE ORDERBOOKING**

(Rs. in Crores)

Division	Jun-07	Sept-07	Dec-07	Mar-08	June-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
MHE	326	499	19	414	139	528	195	45	66	75	81	89	414	96
Gear	83	88	88	132	116	121	106	84	81	117	112	127	185	136
<b>Total</b>	<b>409</b>	<b>587</b>	<b>107</b>	<b>546</b>	<b>255</b>	<b>649</b>	<b>301</b>	<b>129</b>	<b>147</b>	<b>192</b>	<b>193</b>	<b>216</b>	<b>599</b>	<b>232</b>

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**QUARTERWISE UNEXECUTED ORDERS**

(Rs. in Crores)

Division	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun -10	Sep-10
MHE	645	948	876	1085	1158	1527	1570	1388	1269	1177	1105	997	1253	1166
Gear	223	213	216	202	241	245	242	239	223	247	257	246	329	335
Total	868	1161	1092	1287	1399	1772	1812	1627	1492	1424	1362	1243	1582	1501

The Company is having live enquiries of more than Rs. 4000 Crores as on September 30, 2010.

The company has grown by around 10% in Turnover for the year 2009-10 over previous year and expects to grow in the range of 20 to 25% in 2010-11.

The Board of Directors at its meeting held on May 10, 2010 recommended dividend of Rs. 1.50 per Equity Share.

We are glad to inform you that the Company through its SPVs has decided to acquire the Benzler-Radicon group of businesses from David Brown Gear Systems Group. The details of the transaction are as under:

1. Elecon Transmission International Ltd., (Mauritius), a 100% SPV of Elecon Engineering Company Ltd.
2. Elecon UK Transmission Ltd., a wholly owned subsidiary of Elecon Transmission International Ltd.; and
3. Elecon USA Transmission Ltd., a wholly owned subsidiary of Elecon UK Transmission Ltd.

have executed a sale and purchase agreement with :

1. **David Brown Systems S.a.r.l, Luxembourg**
2. **David Brown Gear Systems ltd., U.K**
3. **Cone Drive Operations Inc., USA, respectively**

To acquire:

1. **100% share holding of David Brown Systems Sweden AB (the Benzlers business);**
2. **The Applied Products division i.e. RADICON, of David Brown Gear Systems, UK; and**
3. **Certain assets of the gear motor business of Cone Drive Inc USA**

The gross value of 100% stake of these Businesses as a going-concern on a debt and cash free basis is GBP 18.40 mn.

Apart of the aforesaid transaction, Power Build Transmission International Ltd., Mauritius, a 100% SPV of Power Build Ltd., a Group Company of Elecon Engineering Company Ltd. has also executed Sale and Purchase Agreement (SPA) with David Brown Systems (Holding) S,a,r,l. to acquire 100% stake of David Brown Systems (Thailand) Ltd.

The gross value of 100% stake of David Brown Systems (Thailand) Ltd. as a going-concern is GBP 3.00 mn.

**Market Capitalization** as on October 26, 2010 was around **Rs. 905 Crores.**