



PROGRESSIVE TRANSFORMATION FOR GROWTH

EMCO LIMITED

46th ANNUAL REPORT - 2010-11



At EMCO we are foreseeing a positive transformation. We are all geared up to bring in advancement, at all levels. We believe that this new phase of transformation will certainly bring growth and profitability. Leading in unison with our ideology, strategies, expertise and with a dynamic team of professionals, we will surely achieve our goals in the near future. Being a key player in T&D (Transmission and Distribution) segment and delivering Projects of 765 kV, EMCO will be soon amongst the trendsetters in this segment. Our progressive transformation includes a series of strategic and operational shift like - evolving into project centric company from a product centric company, venturing into Solar Energy Business, more focus on Industrial Business, new strategic tie-ups to boost sales and production etc. Today, we are better prepared, more focused and fully determined to achieve our goals with our mantra of :- Operational Adaptability, New Generation Thinking, Adhering to our Values and Strengthening Relationships.

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FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Revenue Account					
Net Sales	104,946.98	97,855.32	99,625.77	94,425.33	65,588.56
EBIDTA	(274.32)	23,797.26	13,826.96	12,902.22	8,670.09
Profit Before Tax (PBT)	(6,561.14)	18,328.97	8,037.32	9,521.06	6,091.27
Taxation	(2,137.87)	4,949.31	2,727.24	3,076.44	2,031.60
Profit After Tax (PAT)	(4,423.27)	13,379.66	5,310.08	6,444.62	4,059.67
Capital Account					
Share Capital	1,302.74	1,238.54	1,176.74	1,176.74	1,020.94
Share Warrants	-	497.55	1,955.00	1,955.00	217.50
Reserves & Surplus	54,353.23	56,998.56	40,824.22	36,477.85	28,684.74
Shareholders' Fund	55,655.97	58,734.65	43,955.96	39,609.59	29,923.18
Borrowings	36,178.57	25,990.16	35,614.41	30,836.07	18,527.70
Financial Ratios					
EBIDTA to Sales (%)	-0.26%	24.32%	13.88%	13.66%	13.22%
PBT to Sales (%)	-6.25%	18.73%	8.07%	10.08%	9.29%
PAT to Sales (%)	-4.21%	13.67%	5.33%	6.83%	6.19%
PAT (4 year CAGR)		62.75%	53.33%	100.04%	98.62%
Book Value (Face value Rupees 2 per share)	85.44	94.85	74.71	67.32	67.69
Debt Equity Ratio	0.65	0.44	0.81	0.78	0.62
EPS (Rupees)- Basic*	(7.05)	22.72	9.03	11.14	9.18
Dividend %	10%	70%	70%	70%	50%

OUR VISION

"TO BUILD
A WORLD CLASS COMPANY
THROUGH RELIABILITY
AND BE A GREAT PLACE
TO WORK"

We believe that transformation will be the key to unlock our potential. Our determination to achieve goals comes along with absolute focus, performance, innovation and commitment infused into our organizational culture, thereby resulting in excellence and transforming our vision into reality.

OUR VALUES

CUSTOMER CENTRIC

RELIABILITY

OWNERSHIP

RESULT ORIENTATION

TRUST & INTEGRITY

OPENNESS & TRANSPARENCY

We believe that our value system inspires us to realize our goals. As we are all set to surge higher, our values fuel our aspirations to accomplish our vision.

At EMCO, our values and decisions are in unison, which strengthens us to consistently deliver excellent products and services, and also nurtures a culture that instills responsibility, reliability and growth.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rajesh S. Jain
B.E. (Electronics)
Chairman

Shailesh S. Jain
B.E. (Chemical)
Vice Chairman

Ajay Kumar Dhagat
B. E (Electrical)
Managing Director

K. N. Shenoy
B.E. (Electrical), PGDBA
Independent Director

S.V. Deo
B.E. (Electrical), DBM, MIE
Independent Director

T.N.V. Ayyar
B Com, FCA
Independent Director

Bheru Choudhary
B.Com, LLM
Independent Director

CHIEF FINANCIAL OFFICER

Ajay Jain
B Com. FCA,

COMPANY SECRETARY

Praveen Kumar
B Com, LLB, ACS

AUDITORS

P. Raj & Co.
Chartered Accountants

BANKERS

**Dena Bank | State Bank of India | Union Bank of India |
Bank of India | State Bank of Hyderabad | Canara Bank |
Andhra Bank | The Federal Bank Limited |
ING Vysya Bank Limited | Standard Chartered Bank |**

PLANT LOCATIONS:

Power Transformer Plant

Plot No. F-5, Road No.28, Wagle Industrial Estate,
Thane - 400 604. Maharashtra, India
Tel.: +91 22 4040 4500, Fax: +91 22 2582 0571

Industrial Transformer Plant

N-104, MIDC Area, Jalgaon - 425 003. Maharashtra, India
Tel : +91 257 2272462 / 2272 572, Fax : +91 257 2272 598

Distribution Transformer Plant

Gat No. 114, Aurangabad Road, Umala, Jalgaon, Maharashtra, India.
Tel: +91 257 5614395 / 96 / 3092594 Fax : +91 257 22350505

Tower Plants

Plot No. 519-521, Village: Asoj, Vadodara - Halol Highway Dist.
Vadodara - 391510, Gujarat, India,
Tel: +91 2668 281029, 281030. Fax: +91 2668 281030

Meter Plants

Plot No. F-5, Road No.28, Wagle Industrial Estate,
Thane - 400 604. Maharashtra, India
Tel.: +91 22 4040 4500, Fax: +91 22 2582 0571

Survey No. 57/2, Sanjay Industrial Estate, Building No.3,
Gala No. 1 to 8, Waghdhara Road, Dadra - 396 230,
(Union Territory) Dadra & Nagar Haveli,
Phone : +91 260 2668177-78-80 Fax No.: +91 260 2668176

REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai - 400 078
Tel. No. +91 22 25946970
Fax No. +91 22 25946969
Email: rnt.helpdesk@linkintime.co.in

EMCO AT A GLANCE



- Began operations in 1964
- India's leading solutions and products provider in power generation, transmission, distribution & industry
- Among one of the largest manufacturers of transformers in India
- Manufacturing widest range of transformers (1MVA-500 MVA/400 kV)
- EPC Projects upto 765 kV from design to commissioning for AIS and GIS on turnkey basis
- Transmission Line packages upto 765 kV on turnkey basis
- All manufacturing units accredited by Bureau Veritas Certification for ISO 9001:2008, ISO 14001:2004 and OHSAS18001:2007
- 1700+EMCOites located in 5 plants & 15 regional offices with products exported to over 40 countries
- Government recognised R&D Centre

INTERNATIONAL CUSTOMER BASE - OVER 40 COUNTRIES



The International business has its foot-print in more than 40 countries. In order to further accelerate our growth in exports, a majority controlled Joint Venture has been formed in South Africa to address the demands of countries in and around South Africa, plus offices at strategic locations abroad have been opened.

International division offers single point access to all its global customers for its products and services. This focused attention has led to EMCO's success in the Global market. Consistently meeting international quality standards EMCO today has its presence spread across more than 40 countries in Americas, Europe, Middle-East, Asia Pacific and the Indian Subcontinent. It has a reputed roster of international clientele from Power Utilities, Oil & Gas Sector, Mining, EPC Contractors and industries.

With its associates and agents spread across the globe, EMCO has garnered the expertise of supplying transformers that meet various international standards like IEC, ANSI, DIN, SANS, etc. Engineers at EMCO are constantly updated on the technological advancements in the industry, with a view to keep them prepared to meet the stringent customer requirements worldwide.

Today EMCO is the only company in India which is pre-qualified with Saudi Electric Company for supply of transformers in generation and distribution.

Directors' Report

To,
The Members of EMCO Limited,

Your Directors take pleasure in presenting their 46th Annual Report on the business and operations of the Company and statement of accounts for the year ended 31st March 2011.

Financial Results

During the year the performance of the Company was as under:

	₹ in lakhs	
	Current Year 2010-11	Previous Year 2009-10
Total Income	105,106.90	110,656.65
Profit Before Taxation	(6,561.14)	18,328.97
Less: Provision for Tax - Current	-	4,480.00
Deferred Tax	(2,114.57)	275.38
Earlier Year Tax	(23.30)	193.93
Profit After Taxation	(4,423.27)	13,379.66
Add: Balance brought forward from previous year	24,114.61	13,566.60
Profit Available For Appropriation	19,691.34	26,946.26
APPROPRIATIONS:		
General Reserve	-	1,400.00
Debenture Redemption Reserve	-	417.33
Proposed Dividend	130.27	866.98
Tax on Dividend	17.79	147.34
Balance carried to Balance Sheet	19,543.28	24,114.61
TOTAL APPROPRIATION:	19,691.34	26,946.26

Review of Operations

During the year under review, Income from Sales and Services was ₹ 104,947 lakhs against ₹ 97,855 lakhs in the previous year registering growth of 7.24%.

The Company has incurred a net loss of ₹ 4,423 lakhs in current financial year against the net profit of ₹ 13,379 lakhs in previous financial year. The profit of previous financial year includes extra-ordinary item of ₹ 12,735 lakhs which was arising out of sale of investment in EMCO Energy Limited, a wholly owned subsidiary of the Company.

The Company's performance was adversely affected due to Project - Sub-station business where we have experienced execution challenges which include designs, drawings and estimations for lump sum items and also had cost overrun due to delay and quantity variation coupled with firm prices at the time of project closure. Further Transformers Industry is passing through a tough time due to competition as a result of excess capacity within the country which leads to pressure on margin.

The Company is focusing on commissioning of the projects which will release the retention money and reduce the interest cost. The Company has also taken necessary corrective actions and effective measures to improve the performance of the Company.

Dividend

Considering the past performance of the Company and to maintain the consistent track record of dividend your Directors are pleased to recommend for your approval, a dividend of 10% i.e. Re. 0.20/- per share (previous year 70% i.e. ₹ 1.40 per share) on face value of ₹ 2/- each for the financial year 2010-11 out of the accumulated profits of the previous years.

Subsidiaries

The Company had three direct subsidiaries in the year under review, namely:-

- EMCO Power Limited,
- EMCO Renewable Energy Limited *,
- EMCO Overseas Pte Limited, Singapore

And four step-down subsidiaries, namely

- East West Power Generation Company Limited,
- EMCO Infrastructure Limited
- EMCO Edison Transformer (Pty) Limited, South Africa
- PT Setenco Investa Niaga, Indonesia

Directors' Report (contd).

**The name of the Company is changed from EMCO Power Infrastructure Limited to "EMCO Renewable Energy Limited" on December 23, 2010.*

In terms of general circular issued by the Ministry of Corporate Affairs, Government of India under section 212 (8) of the Companies Act, 1956, a copy of Statement of Accounts along with the reports of the Board of Directors and Auditors Report of the above subsidiary companies are not being attached with the Annual Report of the Company.

The Company will make available Annual Accounts of the subsidiary companies and related information to any members who may be interested in obtaining the same. The Annual Accounts of subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies between 10:00 A.M. and 12:00 Noon on any working day of the Company and its subsidiaries.

The Consolidated Financial Statements presented by the Company includes the financial results of the subsidiary companies.

Fixed Deposit

During the year under review the Company has neither invited nor accepted any fixed deposits from the public.

Directors

Mr. Ajay Kumar Dhagat has been appointed as Managing Director of the Company at the Board Meeting held on April 19, 2010 and his terms of appointment including remuneration was confirmed by the Members of the Company at their Annual General Meeting held on August 25, 2010.

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh S. Jain and Mr. Shailesh S. Jain, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves, for reappointment.

Further the tenure of Mr. Rajesh S. Jain and Mr. Shailesh S. Jain as Whole Time Director will cease on October 19, 2011 and October 18, 2011 respectively. The Remuneration, Nomination and Selection Committee of the Board of Directors of the Company has recommended the Board for the re-appointment of Mr. Rajesh S. Jain and Mr. Shailesh S. Jain as Whole Time Director designated as Chairman and Vice Chairman respectively for a period of three years subsequent to the date of cessation of their current tenure. The Board has approved the same and recommended to the members for their approval at the ensuing Annual General Meeting.

Mr. Anil Kumar Sardana ceased to be a Director of the Company with effect from January 14, 2011. The Board places on record its appreciation for the contribution made by Mr Anil Kumar Sardana during his tenure as Independent Director of the Company.

Mr. R.S. Shah ceased to be a Director of the Company with effect from April 19, 2010 on expiry of his term as Director-Technical of the Company. The Board places on record its appreciation

for the services rendered by Mr R.S. Shah during his tenure as Director- Technical of the Company.

The above appointments/re-appointments forms part of the Notice of the 46th Annual General Meeting. The profile of these Directors as required under Clause 49 of the Listing Agreement entered with the Stock Exchange(s), are given in the notice of the 46th Annual General Meeting.

Management Discussion and Analysis

The Management Discussion and Analysis forms part of the Directors' Report is annexed hereto.

Corporate Governance Report

As required by clause 49 of the Listing Agreement with Stock Exchange(s), a report on Corporate Governance and a certificate confirming compliance with requirement of Corporate Governance forms part of this report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the accounts for the financial year ended on 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit/ loss of the Company for the year ended on that date;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors had prepared the accounts for the financial year ended on 31st March, 2011 on a 'going concern' basis.

Employee Stock Option Scheme (ESOS)

Your Company has always worked on the idea that the greatest strength is its human resources and it is this resource, which makes your Company a force to reckon with in the highly competitive environment. With this view your Company has an Employee Stock Option Scheme 2006, for the employees. The details of options under the said Scheme as required under ESOP Disclosures to be made under Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given below:

Directors' Report (contd).

Sr. No.	Particulars	Particulars	
1.	Options Granted	325,850 Options	
2.	Pricing formula	Options have been granted at the closing market price of the Equity Shares of the Company one day prior to the date of grant.	
3.	Options vested	177,025 Options	
4.	Options exercised	38,000 Options	
5.	Total number of Ordinary shares arising out of the Options	190,000 Shares	
6.	Options lapsed	243,650 Options	
7.	Variation of terms of Options	N.A.	
8.	Money realized by exercise of the Options	₹ 171 lakhs	
9.	Total number of options in force	44,200 Options	
10.	i). Detail of option granted to senior management personnel	Ajay Kumar Dhagat Parag Paranjpe Ajay Prasad Satish Gupta Sunil Rustagi N.K. Mukherjee Sanjay Badve Deepak Khandelwal	5,000 options 10,000 options 5,000 options 2,000 options 1,200 options 2,000 options 2,000 options 4,000 options
	ii). Any employee who receives in any one year of grant of options amounting to 5% or more of options granted during the year (2010-11)	Ajay Kumar Dhagat Parag Paranjpe Ajay Prasad	
	iii). Employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of the grant.	NIL	
11.	Diluted EPS calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31 st March 2011	₹ (7.05) per share	
12.	i) Method of calculation of employee compensation Cost.	N.A.	
	ii) Difference between the employee compensation cost so compared at (i) above and the employee compensation cost that shall have been recognised if fair value of options had been used.	N.A.	
	iii) The impact of the difference on profits and EPS of the Company for the year ended 31 st March, 2011 had fair value of options had been used for accounting employee Options.	N.A.	
13.	Weighted average exercise price and weighted average fair value of options granted during the year whose exercise price equals market price of stock on the grant date. (there are no options granted whose exercise price either exceeds or less than the market price of the stock on the date of grant).	N.A.	
14.	A description of the method and significant assumptions used to estimate the fair values of options, including the following weighted average information: (i) Risk Free Interest Rate (ii) Expected Life (iii) Expected volatility (iv) Expected Dividends The Price of the underlying share in market at the time of option granted	N.A.	

Note: In view of the Sub division of the shares and in terms with the relevant provisions of ESOS - 2006 the Options stand adjusted along with entitlement to apply for 5 equity share of ₹ 2/- each instead of one Equity shares of ₹ 10/- each.

Directors' Report (contd).

Particulars of Employees

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are required to be set out in the annexure to the Directors' Report. However as per the provisions of section 219 (1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Information as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to and forms part of this report.

Cost Accounting Records

Your Company is required to maintain cost accounting records in respect of manufacture of power transformers and generation of electricity from Wind Mill (Power) pursuant to the Cost Accounting Records (Engineering Industries) Amendment Rules, 2001. The Company has complied with the above requirement for the year ended 31st March 2011.

Auditors

The Company's Auditors, M/s. P. Raj & Co., Chartered Accountants hold office up to the conclusion of the forthcoming 46th Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from them giving their consent to act as Auditors of the Company and stating that their re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

Insurance

All the assets of the Company are adequately insured.

Acknowledgement

Your Directors would like to express their grateful appreciation for the assistance, support and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors would also like to take this opportunity to express their appreciation to the dedicated and committed employees for the contribution in trying to achieve the Company's vision to ***"To Build A World Class Company Through Reliability And Be A Great Place To Work"***.

On behalf of the Board of Directors

For EMCO LIMITED

Mumbai
May 30, 2011

Sd/-
Rajesh S. Jain
Chairman

Annexure to Directors' Report

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY

I. Energy conservation measures taken:

Under ISO 14001: Environmental Management System (EMP), following major initiatives were taken in the areas of energy savings.

1. AC sharing controller in Server / UPS room.
2. Installation of additional Auto-switched Harmonic Filter (ASHF) for large testing load.
3. Refurbishing of VPD equipment no.2 heating system.
4. Refurbishing of drying ovens done to achieve 20% reduction in drying cycle time resulting in saving of energy.

II. Proposals under implementation for reduction of energy consumption:

1. Converting the TFH system from LDO to PNG.
2. Installation of timers for street lights.
3. De-centralization of compressed air system.
4. Overhauling of ovens for improving cycle time.
5. Manufacturing process improvements to reduce ovening cycle.
6. Installation of low capacity cranes for accessories mounting instead of using 200Ton Crane.

III. Impact of measures (I) & (II) above for reduction of energy consumption and consequent impact on cost of production of goods.

(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

(i) TECHNOLOGY ABSORPTION, ADOPTION

- Implementation of Counter Shield Winding arrangement in place of interleaved up to 220kV Class Power Transformer resulted in improving productivity.
- Developed 220kV Oil Filled Cable Box Terminal Arrangement for Power Transformer delivered to LANCO.
- Published 4 technical papers at various national & international conferences including a paper at ARWtr 2010, in Spain.

II) Research & Development (R & D)

The Company is working in a very harmonious environment conducive to nurture new ideas and to bring innovations in the products manufactured by the Company. The Company continuously endeavours to realise benefits from its earlier R&D efforts carried out in the previous years more particularly in the areas of 630 kVA High Temperature Super-conductor (HTS) Transformer, On-line Transformer Monitoring System, Eco-friendly Dielectric Fluid for Transformer, Smart Transformers and Smart Energy Meter.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company has made direct exports of Transformers to International customers and also supplied to internationally aided projects which are considered as deemed exports. Overall growth prospect for exports is encouraging.

b. Total Foreign Exchange Earnings and Expenditure:

Details concerning Foreign Exchange Earnings and Expenditure have been given under Note no 23 and 21 of the Notes to the Accounts respectively.

On behalf of the Board of Directors
For EMCO LIMITED

Mumbai
May 30, 2011

Sd/-
Rajesh S. Jain
Chairman

Corporate Governance Report

1. Corporate Governance Philosophy

Corporate Governance is a system by which an organization is managed and controlled within the parameters laid down by regulatory bodies. The Company is committed to good Corporate Governance and to be an active and responsible corporate citizen wherever it does business. The Company fully understands that Corporate Governance is a key element in enhancing overall stakeholders' value. The Company continuously strives to achieve business excellence and reach higher standards in conducting its corporate and business affairs through transparency, accountability, empowerment and integrity, keeping in mind the interest of all stakeholders. The Company makes continuous efforts to adopt the best Corporate Governance practice which goes beyond the regulatory framework.

The Company has articulated and implemented its corporate values across all its business establishments and continuously monitors its effectiveness through various processes, apart from initiating the process of Corporate Governance in compliance with Clause 49 of the Listing Agreement with Stock Exchange(s) by implementing not only the mandatory items but also non mandatory items, details of which are enumerated in the paragraph here-in-below.

The Company has adopted the six core values to shape the Company's thinking and conduct. These Corporate values are briefly described below:

- **Customer Centric:**

Customer would be the reason for Company's existence.

- **Reliability:**

The Company shall make sure that the products and services it offers and the commitment it makes to stakeholders are most reliable.

- **Trust and Integrity:**

The Company shall endeavour continuously to build trust in its dealings with all its stakeholders and perceived as a Company with people of high integrity.

- **Openness and Transparency:**

The Company shall create a work culture where openness to dialogue, expressing one's point of view frankly is encouraged and shall be transparent in providing reliable and pertinent information.

- **Ownership:**

Every employee working on any business process works like an owner of that process i.e. having feeling for its success and failure, bearing responsibility for the process and doing best of his ability.

- **Result Orientation:**

The Company shall achieve its results with utmost grit and determination against all odds.

2. Board of Directors

A) Composition

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The Board of the Company is a balanced Board, comprising of Executive and Non-Executive Directors. The Executive Directors includes Chairman, Vice-Chairman and Managing Director. Majority of the board members are Non-executive Directors and independent professionals.

Corporate Governance Report (contd).

The following is the composition of the Board as on 31st March 2011:-

Category	Number of Directors	Percentage of Total Number of Directors
Executive Directors	3	42.85
Non-executive, Independent Directors	4	57.15
Total	7	100.00

Further, the Chairman of the Company is an Executive Director and Promoter. Thus, the Company has complied with the requirement of having atleast half of the Board members comprising of Independent and Non-executive Directors.

Director	Designation	Category	Particulars of other Directorship, Committee Memberships/ Chairmanships		
			*Other Directorships	#Committee Memberships	#Committee Chairmanships
Executive Directors					
Mr. Rajesh S. Jain (1)	Chairman	Promoter	8	Nil	Nil
Mr. Shailesh S. Jain (1)	Vice Chairman	Promoter	8	1	Nil
Mr. Ajay Kumar Dhagat (2)	Managing Director	Non-Promoter	Nil	1	Nil
Mr. R.S. Shah (3)	Director-Technical	Non-Promoter	5	1	Nil
Non-Executive Directors					
Mr. K.N. Shenoy	Director	Independent	4	1	2
Mr. S. V. Deo	Director	Independent	Nil	1	Nil
Mr. T. N. V. Ayyar	Director	Independent	3	2	2
Mr. Bheru Choudhary	Director	Independent	Nil	1	1
Mr. Anil Kumar Sardana (4)	Director	Independent	5	1	Nil

* Excludes Directorship held in Private Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Directorship held as an alternate Director.

Committee includes Audit Committee, Shareholders'/Investors' Grievance Committee. It also includes Membership/ Chairmanship of EMCO Limited.

(1) Mr. Rajesh S. Jain and Mr. Shailesh S. Jain are related to each other as brothers. Mr. Rajesh S. Jain and Mr. Shailesh S. Jain had ceased to hold the office of the Managing Director of the Company w.e.f. 19th April 2010 and would continue as Whole-time Directors designated as "Chairman" and "Vice-Chairman" respectively.

(2) Mr. Ajay Kumar Dhagat appointed as Managing Director of the Company w.e.f. 19th April 2010.

(3) Mr. R.S. Shah ceased to be Director of the Company w.e.f. 19th April 2010.

(4) Mr. Anil Kumar Sardana ceased to be Director of the Company w.e.f. 14th January 2011.

B) Meetings and Attendance:

The provisions of the Companies Act, 1956 require the Board to meet atleast four times in a year. The intervening period between two Board meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement.

Corporate Governance Report (contd).

During the financial year ended 31st March 2011, six meetings were held as follows:-

Sl. No.	Date	Board Strength	Number of Directors Present
1	19th April 2010	8	6
2	26th May 2010	8	8
3	28th July 2010	8	6
4	22nd October 2010	8	7
5	25th January 2011	7	6
6	3rd March 2011	7	6

The attendance at the Board Meetings and at the Annual General Meeting (AGM) during the financial year are as follows:-

Sl. No.	Director	Number of Board Meetings attended	Attendance at the last AGM
1	Mr. Rajesh S. Jain	6	No
2	Mr. Shailesh S. Jain	6	Yes
3	Mr. Ajay Kumar Dhagat	6	No
4	Mr. R.S. Shah**	N.A.	N.A.
5	Mr. K.N. Shenoy	3	No
6	Mr. S. V. Deo	6	No
7	Mr. T. N. V. Ayyar	6	Yes
8	Mr. Bheru Choudhary	3	No
9	Mr. Anil Kumar Sardana***	3	No

**Mr. R.S.Shah ceased to be Director of the Company w.e.f.19th April 2010.

*** Mr. Anil Kumar Sardana ceased to be Director of the Company w.e.f. 14th January 2011.

C) Non-executive Directors' Compensation and Disclosures:

The Non-executive Directors were paid sitting fees for attending the meetings of Board and for attending the meetings of the Board Committees, namely

- Audit,
- Shareholders'/Investors' Grievance,
- Remuneration, Nomination and Selection,
- ESOP and Preferential Issue, and
- Finance and Administrative

All such fees/compensation paid/payable to Non-executive Directors (i.e. other than Managing and Whole-time Director) of the Company is fixed by the Board of Directors within the limit approved by the Shareholders. The Company has not been paying any other remuneration to Non-executive Directors (including Independent Directors), which requires previous approval from the Shareholders. During the financial year the Company did not have any material pecuniary relationship or transactions with any of the Non-executive Directors.

Name	Sitting Fees ₹
Mr. Bheru Choudhary	1,20,000
Mr. S. V. Deo	1,70,000
Mr. T. N. V. Ayyar	1,85,000
Mr. K.N. Shenoy	90,000
Mr. Anil Kumar Sardana*	60,000
Total	6,25,000

*Mr. Anil Kumar Sardana ceased to be Director of the Company w.e.f. 14th January 2011.

Non-executive Directors are not holding any Equity Shares.

D) Code of Conduct

The Company has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company, which has also been posted on the web site www.emcoindia.com. The Company has received from all its Directors and Senior Management personnel affirmation of compliance with the Code of Conduct for the year ended 31st March 2011.

Declaration by Chief Executive Officer (CEO)

I, Ajay Kumar Dhagat, Managing Director of EMCO Limited hereby declare that all the Board members and Senior Managerial Personnel have affirmed for the year ended 31st March 2011 compliance with the Code of Conduct of the Company laid down for them pursuant to clause 49(I)(D) of the Listing Agreement with stock exchange(s).

Mumbai,
May 30, 2011

Sd/-
Ajay Kumar Dhagat
Managing Director

3. COMMITTEES OF THE BOARD

Currently, there are five Committees of the Board- Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration, Nomination and Selection Committee, ESOP Committee and Finance and Administrative Committee. The terms of reference to the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The minutes of the Board Committee meetings are placed for information and noting of the Board.

A. Audit Committee

(i) Brief description of Terms of Reference:

The roles, powers and functions of Audit Committee specified by the Board are in conformity with the requirements of clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. Terms of reference of the Committee includes inter alia;

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure correctness, sufficiency and credibility of the Company's Financial Statements.
2. Recommending to the Board, the appointment and removal of external and internal auditors and fixation of their remuneration.
3. Approving the payments to statutory auditors for other services rendered by them.
4. Reviewing with the management and external auditors, financial statements and results before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Draft Directors' Report and annexure thereto (including Corporate Governance Report and Management Discussion & Analysis Report)
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
5. Reviewing the adequacy of internal control systems with the management, discussion with internal auditors, significant findings and follow up on them.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Reviewing findings of internal investigations by the Internal Auditors into matters like suspected frauds / irregularities / failures of internal control systems of material nature and reporting to the Board thereon.
10. Discussing pre audit discussion about nature and scope of statutory audit and post audit discussion on areas of concern.
11. Discuss with Internal Auditors any significant finding and follow up thereon.
12. To look into the reasons of default in specified areas, reviewing progress made in implementation of auditors' recommendations, making recommendations for improvement in the internal control systems.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Reviewing issues related to risk management and compliances.
15. Reviewing financial statements, including Investments by subsidiary Companies.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Composition of the Committee, Name of the members and the Chairman and Attendance:

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. The Chairman of the Committee is a qualified Chartered Accountant with a sound knowledge of Finance, Accounting and Law. Besides, all other members are financially literate. Composition of the Audit Committee during the year 2010-11 and status of the attendance of the members was as follows:

Name of the Director	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. T. N. V. Ayyar	Chairman	4	4
Mr. Bheru Choudhary	Member	4	1
Mr. S. V. Deo	Member	4	4
Mr. K.N. Shenoy	Member	4	3

iii) Meetings of the Audit Committee:

The Audit Committee met four times during the financial year 2010-11 on 26th May 2010, 28th July 2010, 22th October 2010 and 25th January 2011. The maximum time gap between two meetings was not more than four months. Necessary quorum was present at all the meetings of the Committee held during the year under review.

The Chairman of the Audit Committee Mr. T.N. V. Ayyar, was present at the 45th Annual General Meeting, and replied to the shareholder's queries. The Company Secretary has acted as the Secretary of the Committee. The representatives of Internal Auditor and Statutory Auditors have attended the meetings as invitee.

B) Remuneration, Nomination and Selection Committee

Remuneration, Nomination and Selection Committee is constituted pursuant to Section 314 and Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges, to fix compensation / remuneration for Managing / Whole-time Directors and relative of Directors.

i) Terms of Reference:

The Remuneration, Nomination and Selection Committee is empowered to determine the Company's policy on specific remuneration packages for Executive Directors and other compensation related matters and issues within the framework of the provisions and enactments governing the same. It also performs the role prescribed under Sec. 314 of the Companies Act, 1956.

Corporate Governance Report (contd).

ii) Composition, Name of the Member, Chairperson and Attendance at Meetings:

Remuneration, Nomination and Selection Committee comprises of four Directors. The Chairman of the Committee is a Non -executive, Independent Director. The details of names of members and Chairman of the Remuneration, Nomination and Selection Committee and status of their attendance at the meetings held during the financial year 2010-11 are as under:

Name of the Directors	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Bheru Choudhary	Chairman	2	2
Mr. Rajesh S. Jain	Member	2	2
Mr. T. N. V. Ayyar	Member	2	2
Mr. S. V. Deo	Member	2	2

The Committee met two times during the financial year 2010-11 that is on 19th April 2010 for the appointment of Mr. Ajay Kumar Dhagat as Managing Director and on 26th May 2010 for the payment of commission to Mr. Rajesh S. Jain, Chairman and Mr. Shailesh S. Jain, Vice Chairman of the Company.

iii) Remuneration Policy:

The remuneration policy of the Company has been designed in order to match the trends of the Industry in which the Company operates. The Company has made adequate disclosures to members on the remuneration paid to Directors from time to time. The remuneration / commission payable to Directors are determined by the contributions made by respective Directors for the betterment of the Company.

iv) Details of Remuneration to Executive/ Wholetime Directors:

Name	Salary and Perquisites** (amount in ₹)	Stock Option	Commencement Date***	Cessation Date	Notice Period
Mr. Rajesh S. Jain (1)	24,00,000	Nil	20.10.2008	---	6 months
Mr. Shailesh S. Jain (1)	24,00,000	Nil	19.10.2008	---	6 months
Mr. Ajay Kumar Dhagat(2)	22,80,000	25000	19.04.2010	---	1 year
Mr. R.S.Shah(3)	99,334	Nil	19.04.2009	18.04.2010	Not Applicable

Note: During the financial year 2010-11 the Company has loss/ inadequate profit for the payment of managerial remuneration, hence the Company has paid minimum remuneration to the Managerial Personnel as provided in Section II of part II of Schedule XIII of the Companies Act, 1956.

* Subject to approval at Annual General Meeting

** Perquisites include Gratuity, Provident fund, Medical Reimbursement, Leave Travel Concession, etc.

*** Commencement dates are the re-appointment/appointment of respective Whole Time Directors.

(1) Mr. Rajesh S. Jain and Mr. Shailesh S. Jain had ceased to hold the office of the Managing Director of the Company w.e.f. 19th April 2010 and would continue as Whole-time Directors designated as "Chairman" and "Vice-Chairman" respectively.

(2) Mr. Ajay Kumar Dhagat appointed as Managing Director of the Company w.e.f. 19th April 2010

(3) Mr. R.S. Shah ceased to be Director of the Company w.e.f. 19th April 2010

(C) Shareholders' / Investors' Grievances Committee

(i) Composition and Status of the Attendance:

The Company has a Shareholders'/Investors' Grievances Committee. The Committee is headed by Mr. Bheru Choudhary, an Independent, Non-Executive Director and comprises of the following members in the financial year 2010-11:

Corporate Governance Report (contd).

Name of the Directors	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Bheru Choudhary	Chairman	4	1
Mr. Shailesh S. Jain	Member (Executive Director)	4	4
Mr. Ajay Kumar Dhagat*	Member (Executive Director)	4	4

* Mr. Ajay Kumar Dhagat appointed as Managing Director and member of this Committee on 19th April 2010 and Mr R.S. Shah ceased to be Director of the Company and member of this Committee from 19th April 2010.

(ii) Name and designation of Compliance officer:

Mr. Praveen Kumar, Company Secretary has been appointed as Compliance Officer and can be contacted on the following address:

Address	Telephone Number	Fax Number	Email-id.
Plot No. F-5, Road No. 28, Wagle Industrial Estate, Thane-400604. Maharashtra, India	91-22- 40404500	91-22- 25830571	praveen.kumar@emcoindia.com investorgrievance@emcoindia.com investorrelation@emcoindia.com

(iii) Terms of Reference:

This Committee looks into issue of duplicate share certificates, split, consolidation and subdivision of share certificates, re-materialisation of shares and investors grievances.

The Committee has formed a Sub-Committee titled "Share Transfer" Committee to look into the matter related to Transfers / Transmissions / Dematerialisation of shares. The Committee has delegated the authority for approving transfers/transmission of shares besides taking note of beneficiary position under the demat mode. Approvals are done on a fortnightly basis. The minutes of Share Transfer Committees are periodically placed before the Shareholders'/ Investors' Grievance Committee.

(iv) Complaints/request received from Shareholders during the period 1st April 2010 to 31st March 2011 and its status:

During the year 19 Complaints were received from the shareholders and all of which were resolved to the satisfaction of shareholders. No Complaint was pending at the end of the year. Break-up of requests /complaints received during the year are as under:

Sr. No	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1.	Non-receipt of Certificate	0	0	0	0
2.	Non-receipt of Dividend	0	17	17	0
3.	Non-receipt of Demat credit	0	0	0	0
4.	Non-receipt of rejected Demat Request Form	0	1	1	0
5.	Non-receipt of Annual Report	0	1	1	0
6.	Others	0	0	0	0
TOTAL		0	19	19	0

(D) Other Functional Committees

Besides the above-referred Committees, the Company has also the following committees of Directors:

- ESOP Committee (Compensation Committee) of Directors that is administering and implementing the Employee Stock Option Scheme and allotment of shares on preferential basis.
- Finance and Administrative Committee.

4. SUBSIDIARY COMPANIES:

- The Company has two Indian subsidiaries viz. EMCO Power Limited and EMCO Renewable Energy Limited (Formerly known as EMCO Power Infrastructure Limited) and one Foreign Subsidiary EMCO Overseas Pte Limited (Singapore).

2. The Company also has two steps down Indian subsidiaries through its wholly owned subsidiary EMCO Power Limited viz. East West Power Generation Company Limited and EMCO Infrastructure Limited which are not "material non-listed Indian Subsidiary and two foreign step down subsidiary through EMCO Overseas Pte Limited (Singapore) viz. EMCO Edison Transformers Pty Ltd (South Africa) and PT Setenco Investa Niaga (Indonesia).
3. The Audit Committee of the Company reviews, periodically the financial statements made by its subsidiary companies.
4. The Minutes of the Board of Directors of subsidiary companies are being placed at the Board meeting of the Company. All significant transactions and arrangements entered into by the subsidiary companies have been brought to the attention of the Board of Directors of the Company.

5. DISCLOSURES:

(a) Disclosure on Related Party Transactions:

Related Party transactions during the year have been disclosed vide Note No.10 in Notes forming Part of Accounts as per the requirements of "Accounting Standard 18 - Related Party Disclosure" issued by the Institute of Chartered Accountants of India. The same were placed before the Audit Committee from time to time as required. None of these transactions have any potential conflict with the interests of the Company. No related party transaction was outside the normal course of business of the Company and all related party transactions were entered on arms length basis.

(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities or any matter related to capital markets during the last three years:

The Company has complied with the statutory provisions, rules and regulations relating to the capital markets and no penalties have been levied or strictures have been imposed by the Stock Exchange, SEBI or any statutory authority on matters relating to capital markets during the last three years.

(c) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:

The provisions relating to Whistle Blower Policy being non-mandatory in nature, have not been adopted by the Company. However, no personnel of the Company have been denied access to the Audit Committee on any issue.

(d) Details of compliance with the mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The Chairman of the Audit Committee Mr. T.N.V. Ayyar, was present at the 45th Annual General Meeting, and replied to the shareholder's queries. Further the Company has adopted non-mandatory requirement of Clause 49 of the listing agreement relating to constitution of the Remuneration Committee of Directors, details of which have already been given in earlier para of this report.

(e) Board Disclosures- Risk Management:

The General aim of the Company's risk management policy is to maximize opportunities and minimize losses, which is closely aligned to improving safety not only to physical risk perspective of the employees but also including finance, assets and property of the Company. In line with this general aim of risk management, the Company has evolved a comprehensive risk management policy to identify, assess and mitigate all foreseeable areas of risks. As a policy, risks associated with the business of the Company generally and risk specific to the Company are periodically brought to the attention of the Board. The same are reviewed and assessed and suitable minimization procedures are laid down by the Board and implemented.

(f) Proceeds from public issues, right issues, preferential issues etc:

During the financial year 2009-10, the Company had issued 63,00,000 warrants at a price of ₹ 62/- each to the promoter on preferential basis. Each warrant carries option/entitlement to subscribe to one equity share of ₹ 2/- each at a premium of ₹ 60/- per share within 18 months from the date of allotment i.e. 4th July 2009. Out of these warrants, 30,90,000 warrants have been exercised on 26.03.2010 and remaining 32,10,000 warrants were exercised on 28.12.2010 at a premium of ₹ 60/- each.

The proceeds have been used to meet general corporate purpose and working capital requirement as was indicated in the explanatory statement to the notice calling the meeting of the members seeking their approval to the said Preferential Issue.

6. GENERAL BODY MEETINGS

The Annual General Meetings (AGMs) of the Company have been held at the registered office of the Company at N - 104, MIDC Area, Jalgaon - 425 003 in the last three years at the time and date given below:

Corporate Governance Report (contd).

AGM	Year	Day & Date	Time	Special Resolution passed
43 rd	2007-08	Friday, 22nd August 2008	11.00 a.m.	No Special Resolution was passed at this meeting.
44 th	2008-09	Tuesday, 25th August, 2009	11.30 a.m.	No Special Resolution was passed at this meeting.
45 th	2009-10	Wednesday, 25th August, 2010	11.30 a.m.	Yes: for approval of terms of appointment and Remuneration to be paid to Mr. Ajay Kumar Dhagat as Managing Director

No resolution was passed through postal ballot last year.

At the ensuing Annual General Meeting, there are no Special Resolutions for which Clause 49 of the Listing Agreement or Section 192A of the Companies Act, 1956 has recommended / mandated postal ballot.

7. MEANS OF COMMUNICATION

1. The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The results were published in the newspaper 'Business Standard' and 'Lokmat'-Jalgaon Edition and are also posted on Company's website www.emcoindia.com. They are also uploaded on Corporate Filing and Dissemination System website www.corpfiling.co.in. The Annual report is also posted to all shareholders.
2. The official news releases whenever made by the Company are immediately forwarded to stock exchanges before publication. They are also posted on the website of the Company.
3. The Company holds press/analyst meets and makes necessary presentation to apprise and make public the information relating to the Company's working and future outlook and are also put on the Company's website.
4. In compliance of Clause 47 (f) of the listing agreement the Company, has created e-mail id investorgrievance@emcoindia.com / investorrelation@emcoindia.com exclusively to redress investors/shareholders grievances and maintain relationship with them.

8. GENERAL SHAREHOLDERS' INFORMATION

(a) Appointment/Re-appointment of Directors:

At the Board meeting held on 19th April, 2010, the Board of Directors had appointed Mr Ajay Kumar Dhagat as an Additional Director of the Company with effect from 19th April, 2010. At the same meeting, Mr. Ajay Kumar Dhagat was appointed as Managing Director of the Company with effect from 19th April, 2010 for three years that is upto 18th April, 2013. The appointment and terms of remuneration of Mr. Ajay Kumar Dhagat as Managing Director was approved by the Shareholders at their Annual General Meeting held on 25th August, 2010.

At the ensuing Annual General Meeting, Mr. Rajesh S Jain and Mr. Shailesh S Jain Whole Time Directors whose terms of appointment to be ceased on 19th October, 2011 and 18th October, 2011 respectively will be re-appointed subject to the approval of Members.

Further pursuant to section 256 of the Companies Act, 1956 Mr. Rajesh S. Jain and Mr. Shailesh S. Jain retire by rotation and being eligible, offer themselves for re-appointment.

The brief profiles of all the above Directors are given with the Notice of the Annual General Meeting in this Annual Report.

(b) Particulars of ensuing Annual General Meeting:

Venue	N-104, MIDC Area, Jalgaon-4250003
Time	11.30 A.M.
Day	Tuesday
Date	20th September 2011
Financial Year ended	31st March 2011
Book Closure Dates	10th September 2011 to 20th September 2011 (Both days inclusive)
Dividend Payment Date	On or after 20th September 2011

Corporate Governance Report (contd).

(c) Financial calendar (tentative):

Annual General Meeting	20th September 2011
1st Quarter Results for quarter ending 30th June 2011	Before 15th August 2011
2nd Quarter Results for quarter ending 30th September 2011	Before 15th November 2011
3rd Quarter Results for quarter ending 31st December 2011	Before 15th February 2012
4th Quarter Results for quarter ending 31st March 2012	By 15th May 2012 (if unaudited) or by May 30, 2012 (if audited)

(d) Stock Exchanges where shares are listed:

Name and address of the stock exchange	Stock Code/Symbol
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001	504008
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	EMCO

ISIN No.: INE078A01026

The Company has issued Non Convertible Debentures on Private Placement basis which are listed on Bombay Stock Exchange Ltd.

Code No 946054

ISIN No.: INE078A07015 (Debentures)

(e) Status of Listing Fees:

The Company has paid Listing fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited within the prescribed time limit. It has also paid within prescribed time limit, the Custodian Fees payable to NSDL and CDSL.

(f) Stock Market data:

(i) Monthly high and low quotations of the Company's shares on BSE during the financial year 2010-2011 are as follows.

Month	BSE Monthly Price ₹	
	High	Low
April, 2010	99.50	82.50
May, 2010	94.00	74.05
June, 2010	87.15	79.00
July, 2010	84.10	67.05
August, 2010	74.40	58.50
September, 2010	69.20	58.65
October, 2010	72.50	57.05
November, 2010	67.70	57.40
December, 2010	67.40	59.00
January, 2011	72.00	62.45
February, 2011	66.85	55.50
March, 2011	66.20	56.50

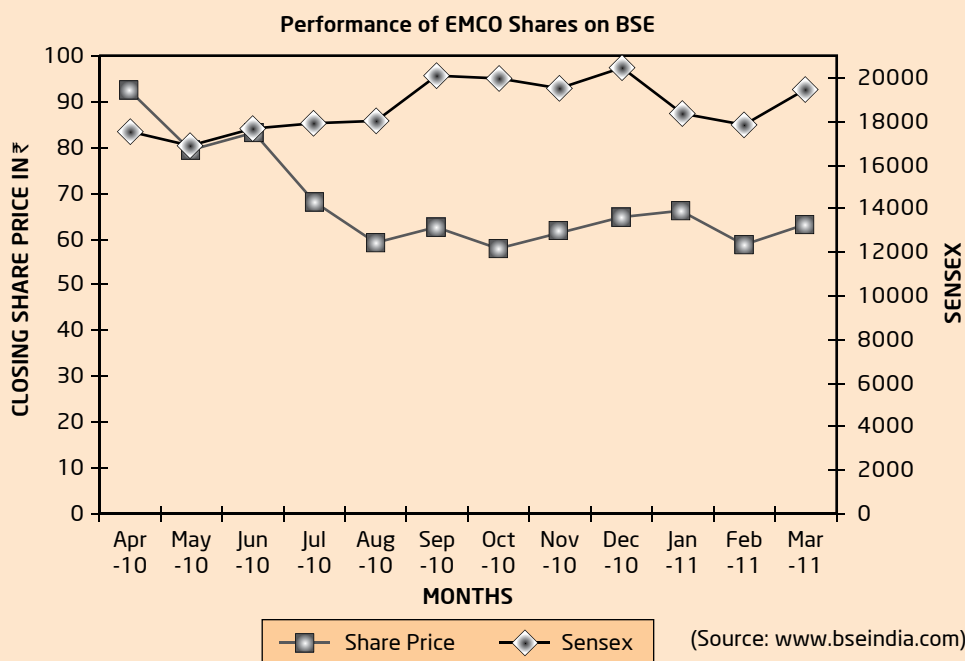
(Source: www.bseindia.com)

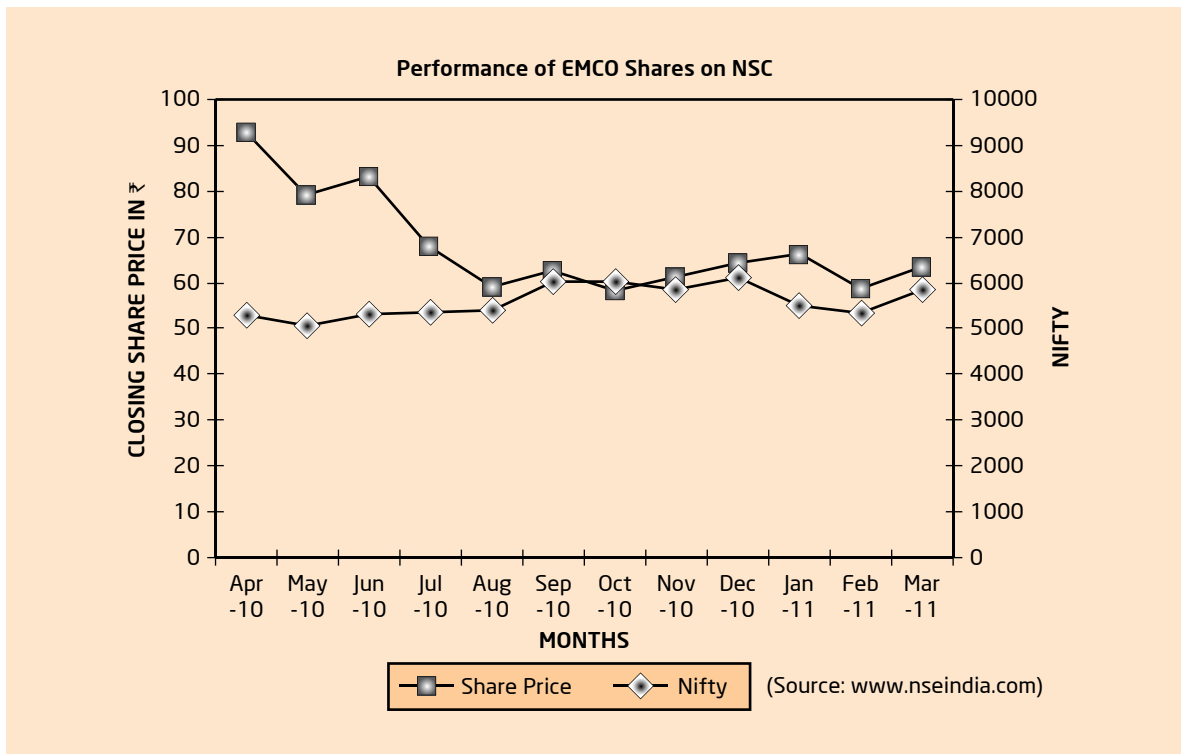
Corporate Governance Report (contd).

(ii) Monthly high and low quotations of the Company's shares on NSE during the financial year 2010-2011 are as follows.

Month	NSE Monthly Price ₹	
	High	Low
April, 2010	99.65	76.75
May, 2010	93.70	74.10
June, 2010	87.00	78.20
July, 2010	84.20	67.05
August, 2010	74.10	58.50
September, 2010	69.20	58.45
October, 2010	72.55	57.25
November, 2010	68.00	58.40
December, 2010	69.95	59.30
January, 2011	74.80	62.30
February, 2011	66.70	53.60
March, 2011	66.25	52.00

(Source: www.nseindia.com)





(g) Registrar and Transfer Agents:

M/s. Link Intime India Pvt Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup West, Mumbai - 400 078
Tel: +91 22 25946970
Fax: +9122 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in

(h) Share Transfer System:

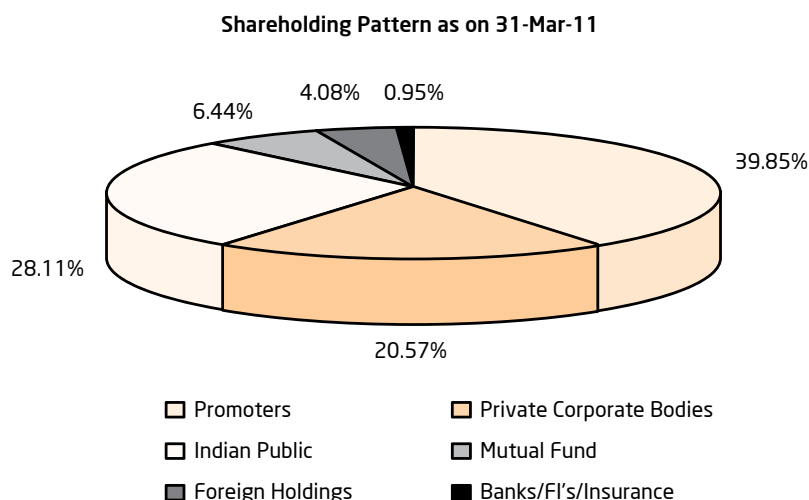
The Company's shares being in compulsory demat mode are transferable through the depository system. Shares in physical form lodged for transfer with the Company and Company's Registrar & Share Transfer Agent are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects and put up for approval before the Share Transfer Committee/ Shareholders'/ Investors' Grievance Committee.

(i) Distribution of Shareholding as on 31st March 2011:

Range	Number of Holders	% to Total Holders	Shareholding (Shares)	% to Total Capital
1 - 5,000	23,475	96.43	6,767,323	10.39
5,001 - 10,000	444	1.82	1,677,329	2.58
10,001 - 20,000	209	0.86	1,575,565	2.42
20,001 - 30,000	69	0.28	896,132	1.38
30,001 - 40,000	29	0.12	517,798	0.79
40,001 - 50,000	23	0.09	523,698	0.80
50,001 - 1,00,000	36	0.15	1,266,051	1.94
1,00,001 and above	60	0.25	51,912,964	79.70
TOTAL	24,345	100.00	65,136,860	100.00

CORPORATE GOVERNANCE REPORT (contd).

Shareholding pattern as at 31st March 2011



Categories of Shareholding as on 31st March 2011

	Category	No. of Shares Held	Percentage of Shareholding
A	Promoter's holding		
1	Promoters	25,957,450	39.85
	- Indian Promoters		
	- Foreign Promoters	-	-
2	Person acting in concert	-	-
	Sub-Total	25,957,450	39.85
B	Non-Promoters Holding		
	Institutional Investors		
a.	Mutual Funds and UTI	4,196,536	6.44
b.	Banks, Financial Institutions,	42,250	0.06
c.	Insurance Companies (Central/ State Govt. Institutions/Non- government institutions)	574,320	0.88
		-	
d.	FII's / Foreign Mutual Fund	1,997,000	3.07
	Sub-Total	6,810,106	10.46
C	Others		
a.	Private Corporate Bodies	13,396,605	20.57
b.	Indian Public and HUF	18,094,620	27.78
c.	NRIs / OCBs	658,182	1.01
d.	Any other (please specify)		
	Clearing Member	156,072	0.24
	Directors and their relatives	62,975	0.10
	Trust	850	0.00
	Sub-Total	32,369,304	49.69
	GRAND TOTAL	65,136,860	100.00

CORPORATE GOVERNANCE REPORT (contd).

(j) Dematerialisation of shares:

The shares of the Company are in compulsory dematerialised segment and are available for trading system of both the depositories. All requests for Dematerialisation of shares are processed and confirmed to depositories, NSDL and CDSL, within 21 days from the date of lodgement with the Company's Registrar & Share Transfer Agent.

94.67% of the Company's shares have been dematerialised upto 31st March 2011. 87.63% of the holding of the Promoters and Promoters Group are in Dematerialised Form.

(k) Outstanding GDR / ADR / Warrants, Convertible Bonds and any other Convertible Instruments, conversion dates and its likely impact on the equity:

No GDR/ ADR are outstanding as at 31st March 2011.

No warrants are outstanding as at 31st March 2011.

(l) Plant Locations are as under:

Thane	Plot No. F - 5, Road No. 28, Wagle Industrial Estate, Thane - 400 604, Maharashtra, India
Jalgaon	Unit I N-104, MIDC Area, Jalgaon - 425 003 Maharashtra, India
	Unit II Gat No. 114, Umala, Taluka & District Jalgaon Maharashtra, India
Dadra	Survey no.57/2, Sanjay Industrial Estate, Building no.B-3, Gala no.1 to 8, Wagdhara Road, Dadra 396 230 (Union Territory), India
Vadodara	Plot No.519-521, Asoj Village, Halol Highway, Dist: Vadodara, Gujarat - 391510, India

(m) Address for Investor Correspondence:

Sr. No.	For Shares held in Physical Form	For Shares held in Demat Form
1.	Registrar & Transfer Agents : M/s. Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai - 400 078 Tel: +91 22 25946970 Fax: +91 22 25946969 E-mail: rnt.helpdesk@linkintime.co.in	To respective Depository Participant
2.	Corporate Office: EMCO Limited, Plot No. F - 5, Road No. 28, Wagle Industrial Estate, Thane - 400 604 Tel: +91-22- 40404500 Fax: +91-22-25820571 Email: praveen.kumar@emcoindia.com	

CORPORATE GOVERNANCE REPORT (contd).

(n) CEO/CFO certification:

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification is being given below:-

To,

The Board of Directors

EMCO Limited

We, CEO and CFO of EMCO Limited, to the best of our knowledge and belief, certify that:-

1. We have reviewed the balance sheet and profit and loss account (standalone and consolidated) and all schedules and notes on accounts, as well as the cash flow statements for the year ended 31st March 2011;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of and for the period presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and information, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify the deficiencies.
6. We have indicated to the Auditors and Audit Committee;
 - a) significant changes in internal controls during the year covered by this report.
 - b) all significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements.
 - c) instances of significant fraud of which we 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 the financial reporting.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company including matters involving alleged misconduct and we have provided protection to them from unfair termination and other unfair or prejudicial employment practices.

Place : Mumbai
Date : May 30, 2011

Sd/-
Ajay Kumar Dhagat
Managing Director

Sd/-
Ajay Jain
Chief Financial Officer

On behalf of the Board of Directors
For EMCO LIMITED

Mumbai
May 30, 2011

Sd/-
Rajesh S Jain
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of EMCO Limited

We have examined the compliance of conditions of Corporate Governance procedure implemented by EMCO Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending against the Company as at March 31, 2011, as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P. RAJ & CO.

Chartered Accountants

Sd/-

P. S. Shah

Proprietor

Membership No. 44611

Firm Registration No. 108310W

Mumbai, 30th May, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS



Overview

The demand for electricity will continue to grow in our Country. It is safe to assume that with over 7.5 % growth in GDP, the power sector will grow in excess of 15%.

The power generation capacity has grown by an average to 6100 MW over the past three years and all indications are that in the next two to three years it will grow between 12000 MW to 15000 MW annually. With this increase of generation both from government utilities and IPP segment, Transmission and Distribution (T&D) segment will achieve corresponding growth.

Growth through conventional sources of energy will be augmented by non-conventional and renewable sources of energy. The government has taken several initiatives in this direction and in the coming years, solar energy is expected to be harnessed more intensively for power generation. New challenges will have to be faced particularly in terms of technology cost vis-à-vis the cost of generation of power.

Power Transmission and Distribution scenario in India

Keeping in mind the target for generation at 100,000 MW in the 12th Plan, T & D Segment will witness significant growth. The estimated fund requirement for T & D segment alone is Rs.6.11 lakhs crores during this period.

In the transmission sector, primary growth will be witnessed in the 765kV and 800kV HVDC segments. Organizations contributing to these segments will grow at a faster rate as compared to the organizations not present in these areas. Grid

stability and smart grids solutions will be at the forefront of development.

In the distribution segment, the main theme will continue to be reduction of losses. Automation and supervisory remote control will lead the technology drive.

The business model for T&D segment will also witness major changes. In the transmission sector, IPTC is rapidly gaining popularity and this trend will only increase. In the distribution sector, franchisee model, particularly for city distribution is evolving with modest success.

Division Wise Review:

Transformer Division

Transformer remains our core strength with 20,000 MVA installed capacity. Division has reasonable order book for the year 2011-12 to support the capacity from several large utilities and industrial customers.

The industry is suffering from excess capacity, and one of the important reasons for this is strong competition from overseas manufacturers, particularly from China and Korea in large transformer space. Increase in demand is therefore not witnessed by local manufacturers. This has put a margin under severe pressure for the industry as a whole.

Your company is addressing the challenges by adopting several measures. We have strengthened our position in the high

MANAGEMENT'S DISCUSSION AND ANALYSIS



technology segment and we are now one of the leading players in high range of GT and ICT, in addition to the conventional range. This position was achieved by persistent Design and Development efforts. Our leadership was validated with the successful short circuit test of 400/220kV, 315 MVA transformers at KEMA. With this, we are now amongst very select group of transformer manufacturers having this credential. It is further significant that this product has cleared the strenuous first attempt. We also achieved the distinction of successfully commissioning 400kV, 500 MVA bank transformers at MSETCL.

We are continuing our efforts in technology and we have plans to introduce products with aims of international competence. Towards this, we have an empanelled design team with global experience and repute. We also have plans for acquiring global technology in defined range from various sources. We expect our transformer business will grow and also be on the forefront of technology.

Project Division

Your company has positioned itself very strongly as a leading player in evacuation and transmission of power. The synergy is achieved through two groups within our project division- Sub-stations and Transmission lines. Both the groups are now ready with robust engineering solutions, project management and quality processes.



Project Division : Sub- Station (SBU)

Your company is executing number of 400/220/132 kV sub-stations for various utilities across the country. Performance of this SBU was not satisfactory in the current year due to cost over runs in some of the projects. Our focus remains on closure of these projects which will release our resources and capital and improve the liquidity of the Company.



During the year, the Company has commissioned 16 large projects of 400 kV of PGCIL, MSETCL and few other projects of 220 kV and 132 kV sub-stations of KPTCL, CSPTCL, WBSETCL etc.

The company is now geared to operate in the market of 765kV sub-stations and this is expected to provide reasonable contribution in future. We are now moving into the global market as an EPC player and we have started the execution of our overseas project.

We have carved our own space in the fast growing GIS business after completing the 220 kV GIS Sub-station of MESTCL. We have strategic tie-ups with international suppliers of GIS and this will support us in meeting our growth objectives.

Transmission Lines (SBU)

The Transmission Line Division is presently executing 765 kV lines of PGCIL and in the year under review, major progress has taken place in all the lines.

The industry faces major challenges in terms of availability of trained and skilled workers for execution of lines. Your company has been putting its best efforts for securing the manpower needs through various ways including training at various levels.

The Company has been awarded orders for construction of two nos. of 400 kV DC Quad Transmission Lines by RRVPNL during the year. The overall prospect of the industry is encouraging and we are ready to partner this.

There is growing opportunities in the IPTC business. Your Company has bagged it's first order under Public Private Partnership (PPP) model to establish "Transmission System 220

MANAGEMENT'S DISCUSSION AND ANALYSIS



KV S/C Sikar - Nawalgarh Jhunjhunu Line with 220 / 132 KV GSS at Nawalgarh and associated Schemes / work" through tariff based competitive bidding process. This is an important milestone and will pave the way for similar success in future.

Our factory in Baroda, which manufactures transmission tower component's has been upgraded and capacity increased to face challenges.

The Company is exploring international business opportunities in Transmission line and has received it's maiden order for export of galvanized structure from the international market.

Meter Division

The meter market has evolved significantly in the last few years in terms of accuracy, communication and control. We are



progressing with our plans to offer a wide range of products and solutions to this market. Introduction of new range of meters will help us achieve projected growth.

International Division

International Division offers single point access to all its global customers for its products as well as solutions as an EPC player. The Company is an established player in the international market for transformers and exporting to more than 40 countries in America, Europe, Middle-East, and Asia pacific. It has an impressive international Clientele that ranges from power Utilities, Oil and gas sector, Mining, EPC contractors and Industries.

Your Company is the only Indian manufacturer to be approved with SEC (Saudi Electric Company) for supply of transformers in Saudi Arabia.

As discussed in the Project Business, the Company has now started offering its service as an EPC player for Sub-stations and Transmission Lines globally and bagged its first supply sub-station Order for Vietnam.

Coal Mine-Indonesia

Your Company has invested (37.35% stake) in a Coal mine in Indonesia having an estimated thermal coal reserve of 105 million metric tons through its wholly-owned Singapore based subsidiary. During the year under review, the mining of coal has started, and with the infrastructure in place the Company expects the production of coal to increase in the coming years.



Renewable Energy

The Company is in the business of renewable power generation through wind energy since 2006 and has an installed capacity of 10.5 MW. EMCO believes that there is huge opportunities in renewable sources of energy and is working in this direction since the last few years. The Company is expected to get 'Clean Development Mechanism' (CDM) benefits for this project.

In line with it's focus on green power, the Company is now venturing into the generation of power through solar plants and to begin with this, the Company has received consent from The Gujarat State Government to set up a 5 MW Grid connected Solar Power Project in the State. The proposed 5 MW Power project

MANAGEMENT'S DISCUSSION AND ANALYSIS



will be based on the Photo-voltaic technology which is the fastest growing solar power generation technology in the world.

The Company has considered Clean Development Mechanism (CDM) as one of the project inputs to make the investments in green energy viable and rewarding on a long term basis through benefits from Certified Emissions Reductions.

Internal Control

The Company has in place effective systems for internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with laws and regulations. The Company has an exhaustive budgetary control system and the management regularly reviews the actual performance. The Company has also put in place a well-defined organizational structure, clear authority levels and detailed internal guidelines for conducting business transactions.

The exposure in foreign currency transactions of the Company both in terms of import, export and exposure in overseas investments in subsidiaries have increased over the years. To mitigate the risks associated with the fluctuations in the foreign exchange, the Company is taking adequate measures. However, risk associated with mark to market concept remains.

Human Resource

Human Resources Function at EMCO is going through an interesting and challenging phase marked by significant additions across the organization. One of the most significant additions was induction of Mr. Ajay Kumar Dhagat as the Managing Director in April 2010. This was initiated by the Board in order to help the Company to scale-up in terms of the management bandwidth which is essential to build a long term, growth oriented, sustainable business model.

The process of increasing management bandwidth has started in the Company at all levels. Since October 2010 till March 2011, we have added over 20 senior managers. We now have in place an organization comprising of some of the best talents in the country and which is ready to deliver.



Various initiatives which have been conceptualized and have been rolled out / are being rolled out in the area of Human Resources Strategy under the Project name GPTW (Great Place to Work) are:

- Introduction of "Accelerated Leadership Building Program" under which, the plan is to hire every year from reputed Business Schools that primarily focus on developing experienced Engineers with advanced Management skills & techniques.
- Personality and leadership development programs.
- Revamping of Compensation Strategy.
- Focus on optimizing & rebalancing the Manpower.
- Revamping of Graduate Engineers Training (GET) Scheme known as "Eklavya". The new Program is being positioned as a program to develop and nurture "specialized skill sets" as required by the strategic Business Units.

At all levels, the Company continues to focus as a part of it's vision, which is to make EMCO a "Great Place to Work".

Initiatives towards Corporate Social Responsibility:

Your Company has taken various initiatives towards Corporate Social Responsibility through its arms 'EMCO Foundation'. EMCO Foundation (EF) was established to promote sustainability and welfare of humanity with a vision **"To transform lives through sustainable development involving stakeholders."**

EMCO Foundation initiatives:

Education (AKSHAR):

EMCO Foundation has given reward and scholarships under 'Yashasvi' project to **141** SSC passed students of municipal schools in Thane, Jalgaon.

More than **4886** slum children are benefited in English, Arithmetic and Marathi under project '**Shiksha**'. Further uniforms, bags and shoes were distributed to 1000 children of Jalgaon Municipal Schools.

Our flagship program '**Parivartan**' is benefitting municipal school students of Thane and Jalgaon and the Maharana Pratap School

MANAGEMENT'S DISCUSSION AND ANALYSIS



in enhancing their soft skills and personality development. This project has benefited so far 6420 students of 8th, 9th and 10th Std. and the number is increasing every year.

Environment (ANKUR & ROSHNI):

Under our 'Ankur' project, with the support from Municipal Corporations, local community, school children we have planted **710** saplings in Jalgaon, Thane, Dadra and Vadodra.



With an aim to involve maximum people for growing trees we have started distributing plant seeds in jute bags and last year a total of **1000** bags were distributed.

Under project "Roshni" with an objective to promote renewable energy, 400 Solar lanterns were distributed to BPL families of Jalgaon and tribal areas of Wada Taluka of Thane.

Healthcare (JEEVAN):

Under healthcare we have begun with organizing blood donation camps under project **Jeevan**. So far through this project, we have collected 767 units of blood which has been given to well known blood banks to meet the need of people in emergencies.



All this has been achieved in just three years with the help of active volunteers from the registered 100 volunteers of EMCOites and their family members.

Forward Looking Statements

Certain statements in the Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that those assumptions and expectations are accurate or will be realized. Actual results could differ from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

On behalf of the Board of Directors

For **EMCO Limited**

Sd/-

Rajesh S. Jain

Chairman

Mumbai

May 30, 2011

FINANCIAL STATEMENTS

AUDITORS' REPORT

TO THE MEMBERS OF EMCO LIMITED

- 1) We have audited the attached Balance Sheet of EMCO Limited as at 31st March 2011, Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a. We have 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 appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations provided to us, the said financial statements read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For P. RAJ & CO.

Chartered Accountants

Sd/-

P. S. Shah

Proprietor

Membership No. 44611

Firm Registration No. 108310W

Mumbai, 30th May, 2011

ANNEXURE REFERRED TO THE AUDITORS' REPORT (contd).

(Referred to in paragraph 3 of our report of even date)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The fixed assets have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.

Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

- 2) The management has conducted physical verification of inventory at reasonable intervals. In respect of stocks lying with the third parties, confirmation for most of the stocks has been received.

In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

- 3) According to the information and explanations provided to us and as per the records examined by us, as at 31st March 2011, Company has granted interest free unsecured loans amounting to ₹ 6840.43 lakhs to two of its wholly owned subsidiaries covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year amounted to ₹ 6840.43 lakhs.

In our opinion, other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.

As per information and explanations provided to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- 4) In our opinion and according to the information and explanations provided to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that all the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to the information and explanations provided to us, the transactions made in pursuance of such contracts or arrangements have been made at reasonable prices having regard to the prevailing market prices at the relevant time.

- 6) In our opinion and according to the information and explanations provided to us, the Company has not accepted any deposits from the public.

- 7) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 9) According to the information and explanations provided to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Wealth Tax, Service Tax, Value Added Tax, Excise Duty, Cess, Investor Education and Protection Fund, and other material statutory dues during the year with the appropriate authorities. As on 31st March 2011, there are no undisputed dues payable for a period of more than six months from the date they became payable.

ANNEXURE REFERRED TO THE AUDITORS' REPORT

As at 31st March 2011, according to the records of the Company and the information and explanations given to us, following are the particulars of disputed dues on account of Income Tax, Sales Tax, Service Tax, Excise Duty and other material statutory dues :

Name of Statute	Nature of Dues	₹ in lakhs	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	Levy of Sales Tax on Excise Duty on Deemed Export	18.53	1992-93	Assistant Commissioner of Sales Tax
Sales Tax Act	Non Deduction of TDS on Works contract	29.47	2007-08	Joint Commissioner of Commercial Taxes
Sales Tax Act	Non submission of Declaration Forms	33.52	2006-07	Deputy Commissioner of Commercial Taxes
Central Excise Act	Additions made in Assessable Value	234.74	1996-01	Supreme Court
Central Excise Act	Additions made in Assessable Value	4.69	2000-03	CESTAT
Central Excise Act	Penalty Proceeding	1.51	2002-05	CESTAT
Central Excise Act	Interest on Differential Duty	21.63	2004-09	CESTAT
Central Excise Act	Additions made in Assessable Value	3.14	2008-09	CESTAT
Service Tax	Service Tax on Erection & Commissioning and Penalty thereon	88.57	2004-07	Commissioner (Appeals), Central Excise and Customs
Service Tax	Disallowance of Input Service Credit	6.24	2006-09	CESTAT
Income Tax Act	Penalty Proceeding under Section 271(1)(c)	41.34	2005-06	Commissioner of Income Tax-(Appeal)
Income Tax Act	Non Credit of Tax Deducted at Source paid	7.62	2005-06	Deputy Commissioner of IT, TDS Circle
Income Tax Act	Disallowance of Expenses	35.76	2006-07	Income Tax Appellate Tribunal
Income Tax Act	Disallowance of Expenses	0.73	2006-07	Commissioner of Income Tax-(Appeal)
Income Tax Act	Disallowance of Expenses	51.90	2007-08	CIT-(Appeal)
Income Tax Act	Short credit for TDS Certificates	78.96	2007-08	Additional commissioner of IT
Income Tax Act	Non Credit of Tax Deducted at Source paid	24.85	2007-08	Deputy Commissioner of IT, TDS Circle
Income Tax Act	Non Credit of Tax Deducted at Source paid	100.86	2008-09	Deputy Commissioner of IT, TDS Circle

- 10) Company has incurred cash losses in the current financial year. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information and explanations provided by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any financial institution or bank or to debenture holders as at the Balance Sheet date.
- 12) Based on our audit procedures and according to the information and explanations provided to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations provided to us, the nature of activities of the Company does not attract the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003.

ANNEXURE REFERRED TO THE AUDITORS' REPORT (contd).

- 14) In our opinion, the Company is not dealing in or trading in shares, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) According to the information and explanations provided to us and the records examined by us, the Company has given guarantee for loan taken by its wholly owned subsidiary from bank. In our opinion, terms and conditions of guarantee given is not prejudicial to the interest of the Company.
- 16) According to the information and explanations provided to us and the records examined by us, in our opinion, the term loans were applied by the Company for the purpose for which they were obtained.
- 17) According to the information and explanations provided to us and on an overall examination of the balance sheet and cash flow statement of the Company, in our opinion, the funds raised on short-term basis have not been used for long-term investment.
- 18) According to the information and explanations provided to us and on the basis of records examined by us, the Company has made a preferential allotment of shares to a party covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- 19) According to the information and explanations provided to us and the records examined by us, the Company has created security and charge in respect of debentures issued.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. RAJ & CO.

Chartered Accountants

Sd/-

P. S. Shah

Proprietor

Membership No. 44611

Firm Registration No. 108310W

Mumbai, 30th May, 2011

Balance Sheet

		₹ in lakhs	
	Schedules	As at 31-Mar-11	As at 31-Mar-10
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,302.74	1,238.54
Share Warrants	1A	-	497.55
Reserves and Surplus	2	54,353.23	56,998.56
TOTAL		55,655.97	58,734.65
LOAN FUNDS			
Secured Loans	3	36,178.57	25,990.16
DEFERRED TAX LIABILITY - (NET)	4	365.91	2,480.48
TOTAL SOURCES OF FUNDS		92,200.45	87,205.29
II. APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		33,310.42	28,867.40
Less : Depreciation and Amortisation		11,061.85	9,223.71
NET BLOCK		22,248.57	19,643.69
Add : Capital Work In Progress (Including Capital Advance)		2,329.77	1,885.33
		24,578.34	21,529.02
INVESTMENTS	6	961.72	1,033.06
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		15,345.01	15,256.82
Sundry Debtors		59,211.72	47,746.92
Cash and Bank Balances		15,539.37	17,744.23
Other Current Assets		1,397.73	686.32
Loans and Advances		22,524.94	18,772.24
		1,14,018.77	1,00,206.53
LESS : CURRENT LIABILITIES AND PROVISIONS	8		
Liabilities		47,005.77	34,404.21
Provisions		352.61	1,159.11
		47,358.38	35,563.32
NET CURRENT ASSETS		66,660.39	64,643.21
TOTAL APPLICATION OF FUNDS		92,200.45	87,205.29
Notes forming part of the Accounts	14		
The Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.			

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman

Sd/-
A. K. Dhagat
Managing Director

Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman

Sd/-
T. N. V. Ayyar
Director

Sd/-
Praveen Kumar
Company Secretary

Profit and Loss Account

	Schedules	For the year ended 31-Mar-11	For the year ended 31-Mar-10
₹ in lakhs			
INCOME			
Gross Sales and Services		1,10,178.48	1,03,137.91
Less: Excise Duty		5,231.50	5,282.59
Net Sales and Services		1,04,946.98	97,855.32
Other Income	9	159.92	12,801.33
TOTAL		1,05,106.90	1,10,656.65
EXPENDITURE			
Materials	10	90,027.14	74,479.25
Employee Cost	11	5,673.37	5,342.65
Other Expenses	12	9,680.59	7,024.12
Interest Expenses	13	4,411.85	3,679.65
Depreciation & Amortisation		1,874.97	1,788.64
TOTAL		1,11,667.92	92,314.31
Profit before prior period items		(6,561.02)	18,342.34
Prior Period Items (Net)		0.12	13.37
Profit Before Taxation		(6,561.14)	18,328.97
<i>Provision for Tax:</i>			
- Current Tax		-	4,480.00
- Deferred Tax		(2,114.57)	275.38
- Earlier Years Tax including Deferred Tax (Net)		(23.30)	193.93
Profit After Taxation		(4,423.27)	13,379.66
Balance brought forward from previous year		24,114.61	13,566.60
Profit available for Appropriation		19,691.34	26,946.26
APPROPRIATIONS			
General Reserve		-	1,400.00
Debenture Redemption Reserve		-	417.33
Proposed Dividend		130.27	866.98
Tax on Dividend		17.79	147.34
Balance carried to Balance Sheet		19,543.28	24,114.61
TOTAL		19,691.34	26,946.26
Basic earnings per share excluding Extraordinary Items in ₹ on share of ₹ 2 fully paid up		(7.05)	6.00
Diluted earnings per share excluding Extraordinary Items in ₹ on share of ₹ 2 fully paid up		(7.05)	5.85
Basic earnings per share including Extraordinary Items in ₹ on share of ₹ 2 fully paid up		(7.05)	22.72
Diluted earnings per share including Extraordinary Items in ₹ on share of ₹ 2 fully paid up		(7.05)	22.16
Notes forming part of the Accounts	14		
The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account			

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman

Sd/-
A. K. Dhagat
Managing Director

Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman

Sd/-
T. N. V. Ayyar
Director

Sd/-
Praveen Kumar
Company Secretary

Cash Flow Statement

	For the Year ended 31-Mar-11	For the Year ended 31-Mar-10
₹ in lakhs		
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax & prior period items	(6,561.02)	18,342.34
Adjustments for		
Depreciation & Amortisation	1,874.97	1,788.64
Interest Expenses	4,411.85	3,679.65
Sundry Balances Written Off	205.29	57.53
Prior Period Items	(0.12)	(13.37)
Loss on Sale of Fixed Assets	13.00	75.76
Dividend Income	(3.92)	(9.46)
Profit on Sale of Investments (Net)	(138.37)	(20.75)
Profit on Disinvestment in Subsidiary	-	(12,734.71)
Operating Profit before Working Capital Changes	(198.32)	11,165.63
Adjustments for		
Trade and other payables	12,634.88	(6,685.79)
Trade and other receivables	(13,336.71)	(4,308.98)
Inventory	(88.19)	2,305.70
Cash generated from Operations	(988.34)	2,476.56
Direct Taxes paid	(579.24)	(1,792.80)
Net Cash Inflow / (Outflow) from Operating Activities	(1,567.58)	683.76
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets / Capital Work in Progress (CWIP)	(4,948.11)	(2,826.85)
Sale proceeds of Fixed Assets / CWIP	10.82	33.96
(Acquisition) / Disposal of Investments (Net)	209.71	200.25
Disinvestment in Subsidiary (Net of Tax)	-	9,854.33
Advances returned from Subsidiaries	2.06	10,453.77
Advances to Subsidiaries	(2,197.01)	(1,723.86)
Dividend Received	3.92	9.46
Net Cash inflow / (outflow) from Investment activities	(6,918.61)	16,001.06
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Share Capital (including premium)	1,492.65	1,915.80
Increase in Warrant Money	-	497.55
Increase/(Decrease) in Secured Loans	10,188.41	(9,624.25)
Interest Expense (net)	(4,392.10)	(3,633.17)
Dividend paid during the year including Dividend Tax	(1,007.63)	(961.15)
Net Cash inflow / (outflow) from Financing Activities	6,281.33	(11,805.22)
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,204.86)	4,879.60
Cash and Cash Equivalents at the beginning of the year	17,744.23	12,864.63
Cash and Cash Equivalents at the end of the year	15,539.37	17,744.23

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
Sd/-
A. K. Dhagat
Managing Director
Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman
Sd/-
T. N. V. Ayyar
Director
Sd/-
Praveen Kumar
Company Secretary

Schedules forming part of the accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 1 - SHARE CAPITAL		
Authorised :-		
75,000,000 (75,000,000) Equity Shares of ₹ 2/- each	1,500.00	1,500.00
500,000 (500,000) Cumulative Redeemable Preference shares of ₹ 100/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, Subscribed and Paid up :-		
65,136,860 (61,926,860) Equity Shares of ₹ 2/- each	1,302.74	1,238.54
Notes:		
Equity Share Capital includes:		
a) 888,100 Shares represent shares allotted as fully paid up pursuant to a contract for consideration other than cash.		
b) 744,000 Shares represent shares which were issued as fully paid bonus shares by Capitalisation of Reserves.		
c) 193,650 Shares represent shares which were issued as fully paid up to shareholders of the erstwhile EMCO Esta Capacitors Limited on its amalgamation with the Company, for consideration other than cash.		
d) 6,100,000 Shares represent shares which were issued as fully paid up to shareholders of the erstwhile India Energy Investments Private Limited on its amalgamation with the Company for consideration other than cash.		
	<u>1,302.74</u>	<u>1,238.54</u>
SCHEDULE 1A - SHARE WARRANTS		
Nil (3,210,000 Warrants of ₹ 15.50, each warrant carry option/entitlement to subscribe to one number of equity share of ₹ 2/- each at a price of ₹ 62/- per share)	-	497.55
	<u>-</u>	<u>497.55</u>
SCHEDULE 2 - RESERVES AND SURPLUS		
Capital Reserve :		
As per last Account	1,988.93	33.93
Add: Transfer on Forfeiture of Warrants	-	1,955.00
	<u>1,988.93</u>	<u>1,988.93</u>
Capital Redemption Reserve :		
As per last Account	4.50	4.50
Securities Premium Account :		
As per last Account	25,735.55	23,881.55
Add: Received during the year	1,926.00	1,854.00
	<u>27,661.55</u>	<u>25,735.55</u>
Debenture Redemption Reserve :		
As per last Account	834.66	417.33
Transfer from Profit and Loss Account	-	417.33
	<u>834.66</u>	<u>834.66</u>
General Reserve :		
As per last Account	4,320.31	2,920.31
Add : Transfer from Profit and Loss Account	-	1,400.00
	<u>4,320.31</u>	<u>4,320.31</u>
Surplus :		
Balance in Profit and Loss Account	19,543.28	24,114.61
	<u>54,353.23</u>	<u>56,998.56</u>

Schedules forming part of the accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 3 - SECURED LOANS		
<i>(Refer Note 5 of Schedule 14)</i>		
1) 12.50% Non Convertible Debentures	5,000.00	5,000.00
2) Vehicle Loans	49.29	53.33
3) Term Loans		
a) Term Loan Working Capital From Bank	2,500.00	-
b) Term Loan From Bank	2,398.10	3,234.00
4) Working Capital from Banks		
a) Working Capital Demand Loan	13,311.87	12,248.79
b) Foreign Currency Demand Loan	2,531.57	1,007.83
c) Cash Credit / Packing Credit - Rupee / Foreign Currency	10,387.74	4,446.21
	<u>36,178.57</u>	<u>25,990.16</u>
SCHEDULE - 4 - DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Arising on account of timing difference in		
- Depreciation Allowance	2,877.51	2,925.15
Deferred Tax Assets		
Arising on account of timing difference in		
- Expenses & Others	(2,511.60)	(444.67)
NET DEFERRED TAX LIABILITY	<u>365.91</u>	<u>2,480.48</u>

Schedules forming part of the accounts

Schedule 5 - Fixed Assets

₹ in lakhs

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK	
	As at 1- Apr- 10	Addition during the Year	Deduction during the year	As at 31- Mar-11	For the Year	Adjustments/ (Deductions)	As at 31- Mar-11	As at 31- Mar-10
Tangible Assets:								
Free hold Land	488.89	1,323.63	-	1,812.52	-	-	1,812.52	488.89
Lease Hold Land	27.28	-	-	27.28	0.81	-	24.44	25.65
Buildings	7,454.82	32.77	-	7,487.59	216.58	-	1,729.92	5,941.48
Plant & Machinery	11,540.91	2,820.73	22.60	14,339.04	775.08	(18.26)	5,528.12	6,769.61
Air Craft	291.42	-	-	291.42	16.32	-	50.61	257.13
Wind Energy Generators	6,010.38	-	-	6,010.38	621.47	-	2,068.17	4,563.68
Air Conditioners & Office Equipments	383.68	42.18	0.48	425.38	18.40	(0.17)	128.17	273.74
Furniture & Fixtures	1,065.59	28.42	0.30	1,093.71	67.19	(0.16)	475.99	656.63
Vehicles	519.97	71.62	37.27	554.32	52.06	(18.24)	150.90	402.89
Lease hold Improvements	-	145.70	-	145.70	10.63	-	10.63	-
Intangible Assets:								
Goodwill	29.33	-	-	29.33	-	-	29.33	-
Technical Know-how & Licenses	1,055.13	38.62	-	1,093.75	96.43	-	887.57	263.99
Grand Total	28,867.40	4,503.67	60.65	33,310.42	1,874.97	(36.83)	11,061.85	19,643.69
Previous Year	26,330.22	3,286.42	749.24	28,867.40	1,788.64	(639.52)	9,223.71	18,255.63

Notes :-

- Buildings include Five shares of ₹ 50 each fully paid in Virgo Co-operative Housing Society Limited and Five Shares of ₹ 50 each in Brij Co-operative Housing Society Limited, Sixty shares of ₹ 50 each in Tripura Lok Dhara Co-operative Housing Society Limited, Twenty shares of ₹ 50 each in Nandi Lok Dhara Co-operative Housing Society Limited, Thirty shares of ₹ 50 each in Saket Towers Co-operative Housing Society Limited. Thirty Five shares of ₹ 50 each in Saket Co-operative Housing Society Limited and Ten shares of ₹ 50 each in Aspen Ascot Co-operative Housing Society Limited.
- Air Craft amounting to ₹ 291.42 lakhs (Previous Year ₹ 291.42 lakhs), Office Equipment amounting to ₹ 0.25 lakhs (Previous Year ₹ 0.01 lakhs), Furniture and Fixture amounting to ₹ 0.03 lakhs (Previous Year Nil), Computers amounting to ₹ 0.28 lakhs (Previous Year ₹ 0.15 lakhs) and Vehicles amounting to ₹ 2.71 lakhs (Previous Year ₹ 2.71 lakhs) are Assets jointly owned by Company.

Schedules forming part of the accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE - 6 - INVESTMENTS (at cost) (Long Term)		
1 Non Trade		
In Government Securities		
National Saving Certificate (held in the name of employee and deposited with Government Department)	-	0.50
Others		
(A) Quoted:		
(a) Nil (22,524) Equity Shares of ₹ 10 each fully paid up in Andhra Bank Limited	-	20.27
(b) Nil (9,172) Equity Shares of ₹ 10 each fully paid up in Union Bank of India	-	10.09
(c) Nil (9,572) Equity Shares of ₹ 10 each fully paid up in Bombay Rayon Fashions Limited	-	6.70
(d) 3,600 (3,600) Equity Shares of ₹ 10 each fully paid up in Morarka Finance Limited	0.36	0.36
(e) Nil (100,437) Equity Shares of ₹ 10 each fully paid up in Dena Bank Limited	-	27.48
(f) Nil (5,000) Equity Shares of ₹ 2 each fully paid up in Cipla Limited	-	6.12
(g) Nil (1,200) Equity Shares of ₹ 10 each in Development Credit Bank Limited (Aggregate Market Value ₹ 0.36 lakhs Previous Year ₹ 168.31 lakhs)	-	0.18
(B) Unquoted:		
(i) 1,667 (1,667) Equity Shares of ₹ 10 each of Cozy Properties Private Limited	116.76	116.76
(ii) 8,346 (8,346) Non-Cumulative Preference Shares of ₹ 10 each of Cozy Properties Private Limited	834.60	834.60
2 Trade (Unquoted)		
Investment in Subsidiary Companies		
10 (10) Ordinary Shares of SGD 1 each of EMCO Overseas Pte Limited * ₹ 282 (₹ 282)	*	*
50,000 (50,000) Equity Shares of ₹ 10 each of EMCO Power Limited (Out of the above, 6 Equity shares are held in the name of others as nominees on behalf and ownership of the Company)	5.00	5.00
50,000 (50,000) Equity Shares of ₹ 10 each of EMCO Power Infrastructure Limited (Out of the above, 6 Equity shares are held in the name of others as nominees on behalf and ownership of the Company)	5.00	5.00
	961.72	1,033.06
Investments purchased and sold during the year		₹ in lakhs
Scrip Name	Nos.	Purchase Cost
Power Grid Corporation of India Limited	58,152	52.34
		Sales Value
		56.13

Schedules forming part of the accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS :		
INVENTORIES		
(As taken, valued and certified by Management)		
Store, Spares and Packing Material	365.34	80.05
Raw Materials	7,820.16	7,972.19
Stock in Transit	221.75	1,207.24
Work-in-progress	6,503.45	5,997.34
Finished Goods	434.31	-
	<u>15,345.01</u>	<u>15,256.82</u>
SUNDRY DEBTORS		
<i>Secured and considered good:</i>		
- Debts outstanding over six months	-	-
- Other Debts	3,129.38	2,792.36
<i>Unsecured and considered good :</i>		
- Debts outstanding over six months	14,474.35	14,179.68
- Other Debts	41,607.99	30,774.88
	<u>59,211.72</u>	<u>47,746.92</u>
CASH AND BANK BALANCES		
Cash in hand (including Cheques on Hand)	3,673.08	880.64
<i>Balance with Scheduled Banks :</i>		
In Current Accounts	175.20	172.38
In Fixed Deposit	11,683.34	16,671.94
In Margin Money & Lien	1.53	15.00
<i>Balance with Others :</i>		
In Current Accounts	6.22	4.27
	<u>15,539.37</u>	<u>17,744.23</u>
OTHER CURRENT ASSETS		
Contract Revenue in Excess of Billing	1,397.73	686.32
	<u>1,397.73</u>	<u>686.32</u>
LOANS AND ADVANCES :		
<i>Secured and considered good :</i>		
Advances recoverable in cash or in kind or for value to be received	4.62	2.48
<i>Unsecured and considered good :</i>		
Advances recoverable in cash or in kind or for value to be received	9,964.82	10,002.36
<i>Advance to Wholly Owned Subsidiaries</i>		
(Refer Note 11 of Schedule 14)		
- EMCO Overseas Pte Limited	5,216.67	4,268.05
- EMCO Power Limited	1,623.76	377.43
Other Deposits	936.52	852.10
[includes deposits with parties which are related to Directors, ₹ 100 lakhs (Previous Year ₹ 100 lakhs), maximum amount outstanding during the year ₹ 100 lakhs (Previous Year ₹ 100 lakhs)]		
Intercompany Deposits	750.00	684.61
Income Tax (Net of Provision)	911.91	309.37
Balances with Excise Authorities	2,101.85	1,793.88
Other Advances	1,014.79	481.96
	<u>22,524.94</u>	<u>18,772.24</u>
TOTAL CURRENT ASSETS	<u>1,14,018.77</u>	<u>1,00,206.53</u>

Schedules forming part of the accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-10
SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES :		
Sundry Creditors and Other Liabilities :		
Due to Micro, Medium and Small Scale Industries	20.24	13.78
Bills Payable	20,197.01	8,214.91
Others	19,116.58	20,789.13
Advances against orders	4,504.68	4,125.16
Billing In Excess of Contract Revenue	3,136.48	1,207.07
Interest accrued but not due	19.75	46.48
<i>Investor Education and Protection Fund shall be credited by following amounts when due:</i>		
Unclaimed Dividends	11.03	7.68
	<u>47,005.77</u>	<u>34,404.21</u>
B. PROVISIONS :		
Employee Benefits	201.21	144.79
Proposed Dividend	130.27	866.98
Tax on Dividend	21.13	147.34
	<u>352.61</u>	<u>1,159.11</u>
TOTAL CURRENT LIABILITIES	<u>47,358.38</u>	<u>35,563.32</u>

Schedules forming part of the accounts

	₹ in lakhs	
	For the year ended 31-Mar-11	For the year ended 31-Mar-10
SCHEDULE 9 - OTHER INCOME		
OTHER INCOME :		
Extraordinary Item (<i>Refer Note 8 of Schedule 14</i>)	-	12,734.71
Dividend	3.92	9.46
Profit on Sale of Investments (Net)	138.37	20.75
Miscellaneous Receipts	17.63	36.41
	<u>159.92</u>	<u>12,801.33</u>
SCHEDULE 10 - MATERIALS		
OPENING STOCK :		
Raw Material	7,972.19	11,001.54
Stock in Transit	1,207.24	-
Work-in-progress	5,997.34	6,521.28
	<u>15,176.77</u>	<u>17,522.82</u>
Purchases and Related Charges	89,830.04	72,133.20
	<u>1,05,006.81</u>	<u>89,656.02</u>
LESS :		
CLOSING STOCK :		
Raw Material	7,820.16	7,972.19
Stock in Transit	221.75	1,207.24
Work-in-progress	6,503.45	5,997.34
Finished Goods	434.31	-
	<u>14,979.67</u>	<u>15,176.77</u>
	<u>90,027.14</u>	<u>74,479.25</u>
SCHEDULE 11 - EMPLOYEE COST		
<i>Employees Remuneration and Benefits :</i>		
Salaries, Wages and Bonus	5,140.48	4,929.68
Contribution to Provident and Other Funds	357.07	263.97
Workmen and Staff Welfare expenses	175.82	149.00
	<u>5,673.37</u>	<u>5,342.65</u>

Schedules forming part of the accounts

	₹ in lakhs	
	For the year ended 31-Mar-11	For the year ended 31-Mar-10
SCHEDULE 12 - OTHER EXPENSES		
Stores and Spares consumed	253.78	190.54
Power and Fuel	629.95	555.43
<i>Repairs and Maintenance:</i>		
Buildings	138.24	94.10
Plant and Machinery	205.96	227.27
Others	162.64	140.87
	<u>506.84</u>	<u>462.24</u>
Rent and Compensation	203.19	127.70
Rates and Taxes	119.82	61.20
Insurance Charges (Net)	288.50	217.25
Travelling and Conveyance	1,266.10	944.01
Freight (Net)	322.16	228.12
Advertisement	12.74	30.44
Commission on Sales	1,827.45	1,162.28
Sales Promotion Expenses	244.59	298.05
Legal and Professional fees	739.08	804.04
Postage, Telephone and Fax	153.96	151.58
Printing and Stationery	105.40	81.43
Vehicle Expenses	170.20	93.77
Directors' Sitting Fees	6.25	3.03
Membership and Subscription	29.09	28.40
Bank charges, Guarantee Commission and Other charges	973.79	701.65
Loss on Disposal of Fixed Assets (Net)	13.00	75.76
Warranty and after sales expenses	1,081.67	264.82
Donation	70.78	38.76
Miscellaneous Expenses	87.31	92.80
Staff Training and Recruitment	105.37	113.00
Security Charges	275.33	165.45
Sundry Balances Written Off (Net)	205.29	57.53
Testing Charges	44.59	45.58
Foreign Exchange Fluctuation	96.35	29.26
Less: Recovery of Overheads	(151.99)	-
	<u>9,680.59</u>	<u>7,024.12</u>
SCHEDULE 13 - INTEREST EXPENSES		
On Debentures	625.00	623.29
On Term Loans	304.26	471.33
On Working Capital	3,027.88	2,522.42
To Others	936.88	608.09
	<u>4,894.02</u>	<u>4,225.13</u>
Less :		
Interest from bank and others	482.17	545.48
[Tax Deducted at Source ₹ 33.06 lakhs (₹ 32.76 lakhs)]		
	<u>4,411.85</u>	<u>3,679.65</u>

Schedules forming part of the accounts

SCHEDULE 14 - NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies:

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The significant accounting policies are as follows:

A. Basis of Accounting:

The financial statements are prepared in accordance with the historical cost convention.

B. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent amounts as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively when revised.

C. Fixed Assets / Capital Work in Progress:

Expenditure, which is of capital nature, is capitalised. Such expenditure includes purchase price, import duties, levies, and attributable cost of bringing the asset to its operating condition. The assets acquired on Hire Purchase basis have been capitalised at the gross value and interest thereon is charged to Profit and Loss Account. Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

D. Depreciation / Amortisation:

I. Tangible Assets

Depreciation has been calculated in accordance with Section 205(2) (b) of the Companies Act, 1956, as under:

- The depreciation is provided from the date the assets are put to use, on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except following Assets which are depreciated over period of its estimated useful life:

Asset	Estimated Useful Life
i) Porta Cabin	5 years
ii) Form Box	5 years
iii) Templates	5 years

- The Company provides 100% depreciation on fixed assets with value less than or equal to ₹ 5,000 as per the provisions of Schedule XIV of the Companies Act 1956.
- Leasehold Improvements are amortised over the primary lease period.

II. Intangible Assets

- These are amortised over their useful life, not exceeding five years.
- Deferred Revenue Expenditure is written off in the year of expenditure.

III. Leasehold land, which are given by Central/State Government authorities are not amortised in view of the long tenure of the lease.

E. Investments:

Long term investments are stated at cost less permanent diminution in value, if any.

F. Valuation of Inventories:

Raw Materials, Stock in Process, Stores and Spares are valued at cost and net of credits under the scheme of Cenvat Rules and VAT Rules. Finished goods are valued at cost, or Market Value / Contract Price, whichever is less. Cost is determined on a weighted average basis. Excise duty is included in the value of finished goods.

Schedules forming part of the accounts (Contd.)

G. Revenue Recognition:

- I. Sales are inclusive of Excise Duty, Duty Drawback but net of Sales Tax, Returns, Trade Discounts and incentives.
- II. Revenue from long term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.
- III. Dividend Income is recognised when the right to receive dividend is established. Interest Income is recognized on time proportion basis.

H. Foreign Exchange Transactions:

Foreign Currency transactions are recorded at exchange rates prevailing on the date of respective transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuation.

Gain or loss on restatement of forward exchange contracts for hedging underlying outstanding at the balance sheet date are recognised in the profit and loss account for the year in which it occurs. The premium or discount on such contracts is recognised in the profit and loss account over the period of the contract.

Gain or loss on fair valuation of forward exchange contracts and embedded derivative contracts for hedging highly forecasted transaction are recognised in the profit and loss account for the year in which it occurs.

I. Derivative instruments (Commodity derivatives)

In order to hedge its exposure to commodity price risk, the Company enters into non speculative hedges, such as forward, option or swap contracts and other appropriate derivative instruments. These instruments are used only for the purpose of managing the exposure to commodity price risk and not for speculative purposes. The premium and gains/ losses arising from settled derivative contracts, and mark to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are credited for gains or charged for losses to the raw material consumed in so far as it relates to the derivative instruments taken to hedge risk of movement in price of Raw Material, the net MTM gains in respect of outstanding derivatives contracts are not recognized on conservative basis.

J. Export Obligations / Entitlements / Incentives:

Benefit / (Obligation) on account of entitlement on export or deemed export orders, to import duty-free raw materials, under the various Exim Schemes are estimated and accounted in the year in which the export/deemed export orders are executed.

K. Employee Benefits:

Contributions to the recognised Provident Fund/Gratuity Fund and provision for other long term employee benefits- leave, defined benefit schemes, are made on the basis of actuarial valuations made at the end of each financial year are charged to the profit and loss account during the year.

Actuarial gains and losses are recognised immediately in the profit and loss account.

L. Operating Lease:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

M. Stock Based Compensation:

In accordance with the Employee Stock Option Scheme (ESOS), the Company recognises the excess, if any, of the market price of the options granted as on the date of the grant over the exercise price of the options, and amortises it on a straight-line basis over the vesting period.

Schedules forming part of the accounts (Contd.)

N. Taxation:

- Provision for Income Tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961.
- Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as on the Balance Sheet Date.
- Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.

O. Impairment of Fixed Assets:

The carrying amount of assets is reviewed periodically for 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. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

P. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit & Loss Account.

Q. Provisions for contingencies:

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits which will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company provides for warranty cost based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

R. Research & Development

All revenue expenses pertaining to research and development are charged to the profit and loss account in the year in which they are incurred and expenditure of capital nature is capitalised as fixed assets and depreciated as per the company's policy.

2. Contingent Liabilities Not Provided For in Respect of:

		₹ in lakhs	
Sr. No.	Particulars	31-Mar-11	31-Mar-10
a)	Bank Guarantees outstanding as at the yearend (Gross) -(Secured)	70,062.51	70,420.10
b)	Bank Guarantees outstanding as at the yearend (Gross) -(Secured) Given for erstwhile Subsidiary, EMCO Energy Limited (Subsidiary upto 24th July 2009)	NIL	60.63
c)	Letters of Credit outstanding (net) as at the yearend (Secured)	9,284.84	8,583.42
d)	Guarantee given for Subsidiary Company	5,307.60	5,415.60
e)	Disputed amount of Sales Tax in respect of which appeals have been filed.	93.54	31.02
f)	Claims made by workmen for re-instatement. Matters Subjudice.	Amount not ascertainable	
g)	Disputed amount of Income Tax in respect of which rectification has been filed	590.13	357.78
h)	Disputed amount of Excise duty and Service tax in respect of which the Company is in appeal.	2,336.80	1,847.69

Schedules forming part of the accounts (Contd.)

- | | |
|----|--|
| i) | Claim of about ₹ 28.36 lakhs (₹ 26.42 lakhs) by suppliers against the Company. The matter is Subjudice. |
| j) | Suit of ₹ 107 lakhs (₹ 107 lakhs) filed by a Sub-Contractor against the company, proceeding is pending before Sole Arbitrator. |
| k) | Summary suit of ₹ 10.13 lakhs (₹ 10.13 lakhs) filed by one supplier against the Company. The matter is Subjudice. |
| l) | Claim filed against the company for compensation not acknowledged as debt ₹ 7.52 lakhs (₹ 27.36 lakhs). |
3. The Company has filed a suit against one customer claiming damages of ₹ 110.91 lakhs (₹ 110.91 lakhs) and also filed a suit for an order restraining invocation of bank guarantee amounting to ₹ 8.50 lakhs (₹ 8.50 lakhs) from the customer.
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to ₹ 8,055.69 lakhs (₹ 672.73 lakhs)
- 5. Terms of Secured Loans (Refer Schedule 3)**
- a. 500 - 12.5% Non Convertible Debentures of ₹ 10 lakhs each referred in (1) of Schedule 3 are secured by way of Mortgage on Building situated at MIDC-Thane, Umala-Jalgaon and on Land and Building situated at MIDC-Jalgaon and hypothecation on Plant & Machinery, Furniture, Electrical & other installations, Office Equipments & Air conditioners situated at MIDC-Thane, MIDC-Jalgaon, Umala-Jalgaon and Dadra. This will be redeemed in three equal annual instalment commencing from 24 December 2011.
- b. Vehicle Loans referred in (2) of Schedule 3 are secured by way of charge of respective vehicles financed.
- c. Term loans referred in 3(a) of Schedule 3 is secured by first pari-passu charge on all the Company's immovable properties situated at MIDC-Thane and MIDC-Jalgaon purchased or to be purchased and the first charge by way of hypothecation of all the Company's movables Fixed Assets and also subject to exclusive charges and/or to be created on specific items of plant and machinery/equipments.
- d. Term loan referred in 3(b) of Schedule 3 is secured by exclusive first charge by way of mortgage on the specific land on which the windmills are installed in Maharashtra and exclusive first charge by way of hypothecation on movable fixed assets (plant, machinery, equipments) pertaining to windmills.
- e. Working Capital Loans from Banks referred in 4(a), 4(b) & 4(c) of Schedule 3 and Bank facilities mentioned in Note No. 2 (a), (b) & (c) above are secured against hypothecation by way of first charge on Raw Materials, Stocks-in-process, Finished Goods, Consumable Stores and Spares, Book Debts except book debts and receivables pertaining to wind mill, Outstanding and Claims both present and future. This is further secured by Second Charge on the Company's all movable Fixed Assets except pertaining to wind mill and on immovable properties situated at MIDC-Thane, MIDC-Jalgaon and Umala-Jalgaon.

6. Managerial Remuneration:

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Directors' Sitting Fees	6.25	3.03
Salaries and Perquisites	73.74	177.27
Commission	NIL	437.50
TOTAL	79.99	617.80

Managerial Remuneration is exclusive of provision for leave encashment and gratuity, as it is provided in the books on the basis of actuarial valuation for the Company as a whole.

Schedules forming part of the accounts (Contd.)

Computation of Net Profit as per Section 349 of the Companies Act, 1956

₹ in lakhs		
Particulars	31-Mar-11	31-Mar-10
Profit/(Loss) Before Tax as per Profit and Loss Account	(6,561.14)	18,328.97
Add : Managerial Remuneration	79.99	617.80
Loss on Sale of Fixed Assets	13.00	75.76
Less : Profit on Sale of Investment	138.37	20.75
Profit on sale of Shares in Subsidiary	Nil	12,734.71
Net Profit/(Loss) as per Section 349 of the Companies Act, 1956	(6,606.52)	6,267.07
Managerial Remuneration @ 11%	NIL	689.38
Managerial Remuneration for the year, as per Schedule XIII	79.99 #	617.80

- In view of the losses made during the year, the managerial remuneration to executive directors has been restricted to limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

7. Employee Stock Option Scheme (ESOS):

The details of options outstanding at the beginning of the year, options granted, options exercised and options lapsed during the year is given below:

Particulars of Options	Price for Shares	Particulars	Outstanding at the beginning of the year (Nos.)	Granted during the year (Nos.)	Exercised during the year (Nos.)	Lapsed During the year (Nos.)	Outstanding at the end of the year (Nos.)
I	90	Employees	260	NIL	NIL	260	NIL
		Options	71,450	NIL	NIL	71,450	NIL
II	126	Directors	4	NIL	NIL	4	NIL
		Options	20,000	NIL	NIL	20,000	NIL
III	174	Employees	1	NIL	NIL	1	NIL
		Options	4,000	NIL	NIL	4,000	NIL
IV	256	Employees	3	NIL	NIL	3	NIL
		Options	9,500	NIL	NIL	9,500	NIL
V	150	Employees	24	NIL	NIL	5	19
		Options	30,500	NIL	NIL	6,800	23,700
VI	109	Employees	1	NIL	NIL	NIL	1
		Options	500	NIL	NIL	NIL	500
VII	63	Employees	NIL	1	NIL	NIL	1
		Options	NIL	5,000	NIL	NIL	5,000
VIII	62.25	Employees	NIL	1	NIL	NIL	1
		Options	NIL	10,000	NIL	NIL	10,000
IX	63	Employees	NIL	1	NIL	NIL	1
		Options	NIL	5,000	NIL	NIL	5,000

Against each of the above option the eligible employee is entitled to acquire five equity share of ₹ 2/- each of the Company.

Schedules forming part of the accounts (Contd.)

8. Extraordinary Item:

During the previous year ended 31st March 2010, Company has sold one of its subsidiaries "EMCO Energy Limited" which was setting up power plant at Warora, Maharashtra and has net gain of ₹ 9,849.32 lakhs (net of tax of ₹ 2,885.38 lakhs). Being non-recurring in nature same has been treated as an extraordinary item.

9. Earnings Per Share (EPS):

	₹ in lakhs	
Particulars	31-Mar-11	31-Mar-10
(a) Amount used as numerator for calculating Earnings Per Share excluding extraordinary item	(4,423.27)	3,530.34
(b) Amount used as numerator for calculating Earnings Per Share including extraordinary item	(4,423.27)	13,379.66
(c) Weighted Number of Shares outstanding during the period used for calculating Basic Earnings Per Share	62,753,545	58,887,655
Add: Adjustment for dilutive potential equity shares	NIL	1,494,221
Weighted number of shares used for Calculating Dilutive Earnings Per Share	62,753,545	60,381,876
(d) Earnings Per Share in ₹ excluding extraordinary item (Equity Shares having face value ₹ 2/-)		
Basic	(7.05)	6.00
Diluted	(7.05)	5.85
(e) Earnings Per Share in ₹ including extraordinary item (Equity Shares having face value ₹ 2/-)		
Basic	(7.05)	22.72
Diluted	(7.05)	22.16

10. Related Party Disclosure:

A. List of Related Parties with whom the Company had transactions

(i) Key Management Personnel and their Relatives

- Mr. Rajesh S. Jain
- Mr. Shailesh S. Jain
- Mr. Ajay K. Dhagat
- Mr. R. S. Shah (upto 19th April 2010)
- Ms. Meenakshi Jain
- Ms. Ratna S. Jain
- Ms. Urmila R. Shah (upto 19th April 2010)

(ii) Entities where Key Management Personnel have Significant Influence:

- Purna Properties and Investments Private Limited
- EMCO Foundation
- EMCO Power Quality Solutions Limited

(iii) Subsidiaries

- EMCO Energy Limited (Upto 24th July 2009)
- EMCO Power Limited
- EMCO Renewable Energy Limited (Previously known as EMCO Power Infrastructure Limited)

Schedules forming part of the accounts (Contd.)

- EMCO Overseas Pte Limited
- EMCO Infrastructure Limited (Previously known as Warora Power Company Limited)
- East West Power Generation Company Limited
- EMCO Edison Transformer Pty. Limited
- PT Setenco Investa Niaga (from 26th November 2010)

(iv) Joint Ventures

- PT Vardhaman Logistics
- PT Vardhaman Mining Services
- Rabaan (s) Pte. Limited.
- Shyam EMCO Infrastructure Limited
- Kalinga Energy & Power Limited
- PT Bina Insan Sukses Mandiri (from 26th November 2010)

(v) Association of Persons

- Arki Aviation

B. Transactions during the Year with Related Parties Mentioned Above

₹ in lakhs			
Nature of Relationship	Nature of Transaction	31-Mar-11	31-Mar-10
Key Management Personnel and their relatives:	Remuneration paid	As disclosed in Note 6 of Schedule 14	
	Consultancy Fees	NIL	5.93
	Salary Paid	33.65	17.43
	Rent Expense	24.80	28.48
Entities where Key Management Personnel have Significant Influence:	Rent Recovered	0.41	0.40
	Expenses incurred and recovered	NIL	2.89
	Donation	63.20	25.00
Subsidiaries	Business Advance given	2,045.02	1,723.86
	Business Advance Received Back	2.06	10,453.77
	Recovery of Overheads	151.99	NIL
	Shares Subscription	NIL	5.00
Association of Person	Advance Given	85.03	15.00
	Share of Flying and Maintenance Expenses	62.29	52.21
Joint Ventures	Expenses Recovered	NIL	8.39

Schedules forming part of the accounts (Contd.)

C. Balance Outstanding at the Year-end with Related Parties mentioned above

₹ in lakhs			
Nature of Relationship	Nature of Transaction	31-Mar-11	31-Mar-10
Key Management Personnel and their relatives:	Deposit given	100.00	100.00
Subsidiaries	Business Advance given	6,840.43	4,645.48
Association of Person	Payable to AOP	31.57	54.31
	Advance Given	NIL	15.00

11. Details of Loans and Advances given to Entities under the same Management:

₹ in lakhs				
Name of Related Party	As at 31-Mar-11	Maximum Balance during the year 2010-11	As at 31-Mar-10	Maximum Balance during the year 2009-10
EMCO Overseas Pte. Ltd.	5,216.67	5,216.67	4,268.05	9,039.88
EMCO Power Ltd.	1,623.76	1,623.76	377.43	379.98

12. Segment Reporting:

The Company has only one reportable segment, i. e. Transmission and Distribution Segment within the Power Sector.

13. Disclosure pursuant to Accounting Standard - 15 (revised) 'Employee Benefits':

₹ in lakhs		
Particulars	31-Mar-11	31-Mar-10
Employer's Contribution to Provident Fund	159.96	134.80
Employer's Contribution to E.S.I.C	23.67	11.90

Schedules forming part of the accounts (Contd.)

Defined Benefit Plans

₹ in lakhs

	Particulars	31-Mar-11		31-Mar-10	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Change in Defined Benefit obligation(D.B.O)				
	Opening Defined Benefit Obligation	203.53	113.71	175.98	65.71
	Service cost for the Year	54.66	54.85	42.64	26.95
	Interest cost for the year on opening DBO	15.54	7.09	14.52	5.42
	Actuarial Losses (gains)	22.22	22.17	(9.19)	48.91
	Benefit Paid	(30.27)	(55.64)	(20.42)	(33.28)
	Closing defined benefit Obligation	265.68	142.18	203.53	113.71
II	Fair Value of Plan Asset				
	Opening fair value of Plan Assets	186.59	NIL	143.58	NIL
	Expected return on Plan Assets	17.21	NIL	14.54	NIL
	Actuarial gains and (losses)	0.93	NIL	1.26	NIL
	Contribution by employer	29.19	55.64	47.63	33.28
	Benefit Paid	(30.27)	(55.64)	(20.42)	(33.28)
	Closing balance of fair value of plan assets	203.65	NIL	186.59	NIL
III	Actual Return on Plan Asset				
	Expected return on Plan Assets	17.21	NIL	14.54	NIL
	Actuarial gains and (losses)	0.93	NIL	1.26	NIL
	Actual Return on Plan Asset	18.14	NIL	15.80	NIL
IV	Amount Recognised in Balance Sheet				
	Liability at the end of Year	265.68	142.18	203.53	113.71
	Fair Value of Plan Assets at the end of the Year	203.65	NIL	186.59	NIL
	Difference	62.03	142.18	16.94	113.71
	Unrecognised Past Service Cost	NIL	NIL	NIL	NIL
	Amount Recognised in Balance Sheet	62.03	142.18	16.94	113.71
V	Amount Recognised in Income Statement				
	Current Service Cost	54.66	54.85	42.64	26.95
	Interest on Obligation	15.54	7.09	14.52	5.42
	Expected return on Plan Assets	(17.21)	NIL	(14.54)	NIL
	Net actuarial losses (gains) recognized	21.29	22.17	(10.45)	48.91
	Expenses Recognised in Profit and Loss	74.28	84.11	32.17	81.28
VI	Balance Sheet Reconciliation				
	Opening Net Liability	16.94	113.71	32.40	65.71
	Expenses as Above	74.28	84.11	32.17	81.28
	Contribution to LIC/Claims Paid	(29.19)	(55.64)	(47.63)	(33.28)
	Amount Recognised in Balance Sheet	62.03	142.18	16.94	113.71
VII	Actuarial Assumptions: for the Year	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Discount Rate	8.30%	8.30%	8.25%	8.25%
	Expected Return on plan Assets	9.25%	NIL	9.25%	NIL

The estimates of future salary increase, considered in actuarial valuation, has been made after taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Schedules forming part of the accounts (Contd.)

General Description of significant defined plans

I. Gratuity Plan

Gratuity is payable to all eligible employees of the Company on death, resignation after five completed year of service, retirement or permanent disablement.

Broad Category of plan assets relating to Gratuity as a percentage of total plan assets.

Government of India Securities	NIL
High Quality Corporate bonds	NIL
Equity Shares of Listed Companies	NIL
Property	NIL
Policy of Insurance	100 %
Total	100 %

II. Leave Plan

Eligible employees can carry forward and encash leave in month of April of every year during tenure of service & on death, permanent disablement and resignation.

14. Disclosure as required by Accounting Standard 19 'Leases'

Operating Lease:

- The Company's significant leasing arrangements are in respect of residential flats, office premises taken on lease. The arrangements are generally from 1 month to 60 months. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Profit and Loss Account for the year and included under Rent and Compensation (Disclosed under Schedule 12). Total of Minimum lease payment for a period: -

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Not later than one year	244.53	20.73
Later than one year and not later than five years	269.77	NIL
Later than five years	NIL	NIL

- Commercial / residential premises have been given on operating lease having original cost of ₹ 23.44 lakhs (₹ 22.42 lakhs) and accumulated depreciation of ₹ 7.36 lakhs (₹ 4.75 lakhs) as at 31st March 2011. Depreciation on the above assets for the current year is ₹ 0.38 lakhs (₹ 0.37 lakhs). In respect of the above arrangements, lease rent receivable are recognised in the Profit and Loss Account for the year and included under Other Income.
- The initial direct costs in respect of operating leases are recognised in the Profit and Loss Account

15. Payment to Auditors' (Net of Service Tax):

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Audit Fees	35.00	30.00
Tax Audit Fees	3.00	3.00
Certification and other matter	8.84	27.35
Out of pocket expenses	0.13	0.09

Schedules forming part of the accounts (Contd.)

16. Disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the company.

₹ in lakhs			
SI No.	Particulars	31-Mar-11	31-Mar-10
1	The principal amount remaining unpaid to supplier as at the end of accounting year	20.25	13.78
2	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	0.19	0.03
3	The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	NIL	NIL
5	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	0.19	0.03
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	NIL	NIL

17. Licensed, Installed Capacities and Actual Production:

Description	Unit	Licensed Capacity*	Installed Capacity*	Actual Production
Transformers	KVA	N.A.	20,000,000	9,905,557
	(KVA)	(N.A.)	(20,000,000)	(13,691,949)
Electronic Energy Meters	Nos.	N.A.	1,300,000	174,146
	(Nos.)	(N.A.)	(1,300,000)	(318,352)
Towers & Structural**	MT.	N.A.	45,000	40,069
	(MT.)	(N.A.)	(45,000)	(17,052)
Wind Power Generation	KWh	N.A.	92,768,400	18,872,044
	(KWh)	(N.A.)	(92,768,400)	(22,563,339)

* - As certified by the Management but not verified by the Auditors, being a technical matter.

** - The quantity includes 14,262 MT (1,027 MT) purchased / processed from third parties.

18. Disclosure under Accounting Standard - 7 'Construction Contracts'

₹ in lakhs		
Particulars	31-Mar-11	31-Mar-10
Contract revenue recognized as revenue for the year ended 31st March.	65,437.39	51,049.75
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to 31st March for all the contracts in progress.	152,819.26	94,552.79
The amount of customer advances outstanding for contracts in progress as at 31st March.	1,647.13	772.41
The amounts of retentions from customers for contracts in progress as at 31st March.	19,146.33	10,045.43

Schedules forming part of the accounts (Contd.)

19. Consumption of Raw Materials, Components and Spare Parts and Its Percentage to Total:

	For the year ended			
	31-Mar-11		31-Mar-10	
Description	₹ in lakhs	Percentage	₹ in lakhs	Percentage
Raw Materials and Components				
Imported	6,987.46	7.68%	7,773.12	10.51%
Indigenous	83,980.10	92.32%	66,182.19	89.49%
Spare Parts				
Imported	--	0.00%	5.94	3.12%
Indigenous	253.78	100.00%	184.60	96.88%

20. Value of Imports on C. I. F. Basis:

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Raw Materials/Spare Parts	6,525.62	6,776.12
Capital Goods	1,384.90	532.31

21. Expenditure In Foreign Currency (On Payment Basis):

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Travelling	207.21	69.25
Professional Charges	17.34	86.52
Interest	47.30	74.30
Others (net of taxes)	574.62	163.00

22. Balance with other Bank Accounts

Name of the Bank	Currency	₹ in lakhs			
		As at 31-Mar-11	Maximum Balance during the year 2010-11	As at 31-Mar-10	Maximum Balance during the year 2009-10
ICBC, China	USD	5.87	6.87	*	11.07
ICBC, China	RMB	0.35	7.91	4.27	8.20

* Balance outstanding was ₹ 7.

23. Earnings in Foreign Currency:

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
i) Direct Export	5,075.10	5,415.89
ii) Other Recovery	0.26	3.88
iii) Deemed Exports (including Local Currency)	5,118.57	4,513.45

Schedules forming part of the accounts (Contd.)

24. Derivative Instruments and Unhedged Foreign Currency Exposure

Forward Contract outstanding

Particulars	Currency	As on 31-Mar-11	As on 31-Mar-10	Purpose
		Amount	Amount	
Sell	USD	1,123,272	6,776,702	Hedge of Receivables
Sell	EURO	NIL	1,073,670	Hedge of Receivables
Buy	USD	7,879,757	7,386,860	Hedge of Payable
Buy	EURO	1,318,508	2,518,034	Hedge of Payable
Buy	JPY	NIL	5,000,000	Hedge of Payable
Buy	GBP	3,449,703	1,344,267	Hedge of Loan

Unhedged foreign currency exposure

Nature of Transaction	Currency	As on 31-Mar-11	As on 31-Mar-10
		Amount	Amount
Payable	EURO	342,588	244,100
Payable	USD	748,397	2,210,374
Payable	GBP	3,680	3,680
Secured Loan	USD	356,069	4,901,829
Secured Loan	EURO	NIL	287,000
Receivable	USD	668,107	703,699
Receivable	EURO	266,752	341,491
Payable	RMB	1,901	NIL
Advance to subsidiary	USD	11,675,500	9,437,500
Advance to subsidiary	SGD	8,690	8,690

25. Research and Development

Company has incurred total expenditure of ₹ 42.07 lakhs (₹ 183.93 lakhs) on Research and Development activities.

26. Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and other balances are as per books of accounts and subject to confirmation and reconciliation, if any.

27. Figures of previous year have been regrouped/rearranged, wherever necessary, to conform to those of the current year.

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman

Sd/-
A. K. Dhagat
Managing Director

Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman

Sd/-
T. N. V. Ayyar
Director

Sd/-
Praveen Kumar
Company Secretary

Balance Sheet Abstract and company's General Business Profile

I Registration Details:	
Registration Number	L31102MH1964PLC013011
State Code	11
Balance Sheet Date	31-Mar-2011
II Capital raised during the year (Amount in ₹ Thousand):	6,420
III Position of Mobilisation and Deployment of Funds (Amount In ₹ Thousand):	
Total Liabilities	1,39,55,883
Total Assets	1,39,55,883
Sources of Funds:	
Paid up Capital	1,30,274
Reserves and Surplus	54,35,323
Warrants Money	-
Secured Loans	36,17,857
Unsecured Loans	Nil
Deferred Tax Liability	36,591
Application of Funds:	
Net Fixed Assets including CWIP	24,57,834
Investments	96,172
Net Current Assets	66,66,039
Misc. Expenditure	Nil
Accumulated Losses	Nil
IV Performance of Company (Amount in ₹ Thousand):	
Turnover	1,05,10,691
Total Expenditure	1,11,66,805
Profit/(Loss) Before Tax	(6,56,114)
Profit/(Loss) After Tax	(4,42,327)
Earnings Per Share-Basic in ₹	(7.05)
Earnings Per Share-Diluted in ₹	(7.05)
Dividend	10%
V Generic Names of Three Principal Products/Services of the Company:	
(As per monetary terms)	
Item Code No. (ITC Code)	85.04.23
Product Description	Transformers
Item Code No. (ITC Code)	90.28.00
Product Description	Electronic Energy Meters

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
Sd/-
T. N. V. Ayyar
Director
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman
Sd/-
Ajay Jain
Chief Financial Officer

Sd/-
A. K. Dhagat
Managing Director
Sd/-
Praveen Kumar
Company Secretary

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO

THE BOARD OF DIRECTORS OF EMCO LIMITED

1. We have audited the attached Consolidated Balance Sheet of EMCO Limited, (the "Company") its Subsidiaries and Joint Ventures (collectively, the "EMCO Group") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain Subsidiaries and Joint Ventures, which have been audited by other auditors and their reports have been furnished to us. The Group's share of total assets as at 31st March, 2011, Loss and Net Cash flows for the period ended 31st March, 2011 in said Subsidiaries and Joint Ventures are ₹ 3,067.86 lakhs, ₹ 1,083.08 lakhs and ₹ 8.48 lakhs respectively. We have placed reliance on the said reports for the purpose of our opinion on the Consolidated Financial Statements.

The consolidated financial statements include the financial statements of joint ventures, which we did not audit and the said financial statements are prepared on the basis of audited financial statements for the year ended 31st December, 2010 and the reviewed financial statements for the quarter ended 31st March, 2011. These financial statements reflect the Group's share of total assets as at 31st March, 2011, Loss and Net Cash flows for the period ended 31st March, 2011 of ₹ 8,070.84 lakhs, ₹ 130.68 lakhs and ₹ 99.91 lakhs respectively. We have placed reliance on the said reports for the purpose of our opinion on the Consolidated Financial Statements.

The consolidated financial statements also include, the financials of a subsidiary which we did not audit and the same has been consolidated based on the financial statements certified by the management. The said financial statement reflects Group's share of total assets as at 31st March, 2011, Loss and Net Cash flows for the period ended 31st March, 2011 of ₹ 1.15 lakhs, ₹ 38.10 lakhs and ₹ 1.04 lakhs respectively.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India on the basis of separate audited financial statements of EMCO Limited, its Subsidiaries and Joint Ventures Companies included in the Consolidated Financial Statements.
5. In our opinion and to the best of our information and according to the explanations given to us and on the basis of consideration of separate audit reports on individual audited financial statements, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the EMCO Group as at 31st March 2011;
 - ii. in the case of Consolidated Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For P. RAJ & CO.

Chartered Accountants

Sd/-

P. S. Shah

Proprietor

Membership No. 44611

Firm Registration No. 108310W

Mumbai, 30th May 2011

Consolidated Balance Sheet

₹ in lakhs

	Schedules	As at 31-Mar-2011	As at 31-Mar-2010
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,302.74	1,238.54
Share Warrants	1A	-	497.55
Reserves and Surplus	2	52,811.08	56,430.95
TOTAL		54,113.82	58,167.04
Minority Interest		(169.02)	(139.79)
LOAN FUNDS			
Secured Loans	3	40,602.72	30,517.89
Unsecured Loans		2,909.80	1,163.55
DEFERRED TAX LIABILITY (NET)	4	301.93	2,480.53
TOTAL SOURCES OF FUNDS		97,759.25	92,189.22
II. APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		40,331.48	28,955.87
Less : Depreciation and Amortisation		11,103.60	9,241.93
NET BLOCK		29,227.88	19,713.94
Add : Capital Work In Progress (Including Capital Advance)		4,126.01	2,305.95
		33,353.89	22,019.89
INVESTMENTS	6	952.31	1,700.11
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		15,345.01	15,258.45
Sundry Debtors		59,250.47	47,746.92
Cash and Bank Balances		15,728.73	17,825.11
Other Current Assets		1,397.73	686.32
Loans and Advances		19,092.24	22,849.08
		110,814.18	104,365.88
LESS : CURRENT LIABILITIES AND PROVISIONS	8		
Liabilities		47,237.67	34,759.24
Provisions		352.61	1,159.11
		47,590.28	35,918.35
NET CURRENT ASSETS		63,223.90	68,447.53
MISCELLANEOUS EXPENDITURE			
Preliminary & Pre-operative Expenses (to the extent not w/off)		229.15	21.69
TOTAL APPLICATION OF FUNDS		97,759.25	92,189.22
Notes forming part of the Accounts	14		

The Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman

Sd/-
A. K. Dhagat
Managing Director

Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman

Sd/-
T. N. V. Ayyar
Director

Sd/-
Praveen Kumar
Company Secretary

Consolidated Profit and Loss Account

		₹ in lakhs	
	Schedules	For the Year ended 31-Mar-11	For the Year ended 31-Mar-10
INCOME			
Gross Sales and Services		111,416.28	103,137.91
Less: Excise Duty		5,231.50	5,282.59
Net Sales and Services		106,184.78	97,855.32
Other Income	9	159.92	12,801.33
TOTAL		106,344.70	110,656.65
EXPENDITURE			
Materials	10	90,867.18	74,479.25
Employee Cost	11	5,852.53	5,456.32
Other Expenses	12	10,538.72	7,233.21
Interest Expenses	13	4,779.31	3,991.81
Depreciation & Amortisation		1,896.24	1,802.92
TOTAL		113,933.98	92,963.51
Profit before prior period items		(7,589.28)	17,693.14
Prior Period Items (Net)		(38.46)	13.37
Profit Before Taxation		(7,550.82)	17,679.77
Provision for Tax:			
- Current Tax		0.30	4,482.85
- Deferred Tax		(2,049.33)	275.38
- Earlier Years Tax including Deferred Tax (Net)		(23.30)	191.99
Profit After Taxation		(5,478.49)	12,729.55
Share of Minority		(15.51)	(75.57)
Profit After Minority Interest		(5,462.98)	12,805.12
Less: Pre acquisition Profit/(Loss)		375.90	-
Profit After Minority Interest and pre-acquisition profit		(5,838.88)	12,805.12
Balance brought forward from previous year		23,460.28	13,486.81
Profit available for Appropriation		17,621.40	26,291.93
APPROPRIATIONS			
General Reserve		-	1,400.00
Debenture Redemption Reserve		-	417.33
Proposed Dividend		130.27	866.98
Tax on Dividend		17.79	147.34
Balance carried to Balance Sheet		17,473.34	23,460.28
TOTAL		17,621.40	26,291.93
Basic earnings per share excluding Extraordinary Item in ₹ on share of ₹ 2 fully paid up		(9.30)	5.02
Diluted earnings per share excluding Extraordinary Item in ₹ on share of ₹ 2 fully paid up		(9.30)	4.90
Basic earnings per share including Extraordinary Item in ₹ on share of ₹ 2 fully paid up		(9.30)	21.74
Diluted earnings per share including Extraordinary Item in ₹ on share of ₹ 2 fully paid up		(9.30)	21.21
Notes forming part of the Accounts	14		
The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account			

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
Sd/-
A. K. Dhagat
Managing Director
Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman
Sd/-
T. N. V. Ayyar
Director
Sd/-
Praveen Kumar
Company Secretary

Consolidated Cash Flow Statement

		For the Year ended 31-Mar-11	For the Year ended 31-Mar-10
			₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before tax, prior period items and Minority Interest		(7,589.28)	17,693.14
Adjustments for :			
Depreciation & Amortization		1,896.24	1,802.92
Interest Expenses		4,779.31	3,991.81
Sundry Balances Written Off		205.29	57.53
Prior Period Items		38.46	(13.37)
Loss on Sale of Fixed Assets		15.35	76.51
Dividend Income		(3.92)	(9.46)
Profit on Sale of Investments (Net)		(138.37)	(20.75)
Profit on Disinvestment in Subsidiary		-	(12,734.71)
Impairment of available for sale investment		676.95	-
Pre-acquisition (Profit)/Loss		(375.90)	-
Operating Profit before Working Capital Changes		(495.87)	10,843.62
Adjustments for:			
Trade and other payables		12,558.23	(4,814.86)
Trade and other receivables		(7,471.40)	(3,879.18)
Unrealized foreign exchange Loss / (Gain)		428.06	86.77
Inventory		(86.56)	2,304.07
Cash generated from operations		4,932.46	4,540.42
Direct Taxes paid		(627.71)	(1,795.84)
Net Cash Inflow (Outflow) from Operating Activities		4,304.75	2,744.58
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Acquisition of Fixed Assets / Capital work in progress (CWIP)		(5,512.38)	(3,328.58)
Sale proceeds of Fixed Assets / CWIP		23.06	4,112.83
Disinvestment in Subsidiary (Net of Tax)		-	9,849.33
(Acquisition) / Disposal of Investments (Net)		209.22	293.52
Acquisition of Subsidiary (net of cash and bank acquired)		(24.92)	-
Preliminary & Pre-operative Expenses		(207.46)	(20.66)
Dividend Received		3.92	9.46
Net Cash Inflow (Outflow) from Investment Activities		(5,508.56)	10,915.90
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Increase in Share Capital (including premium)		1,492.65	1,915.80
Increase in Warrant Money		-	497.55
Increase/(Decrease) in Secured Loans		10,084.83	(5,096.52)
Increase/(Decrease) in Un-secured Loans		(6,656.38)	(1,155.65)
Interest Expenses (Net)		(4,806.04)	(3,986.40)
Dividend paid during the year including Dividend Tax		(1,007.63)	(961.15)
Net Cash Inflow (Outflow) from Financing Activities		(892.57)	(8,786.37)
Net Increase/(Decrease) in Cash and Cash Equivalents		(2,096.38)	4,874.11
Cash and Cash Equivalents at the beginning of the year		17,825.11	12,951.00
Cash and Cash Equivalents at the end of the year		15,728.73	17,825.11

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
Sd/-
A. K. Dhagat
Managing Director
Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman
Sd/-
T. N. V. Ayyar
Director
Sd/-
Praveen Kumar
Company Secretary

Schedules forming part of the Consolidated accounts

	₹ in lakhs	
	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE 1 - SHARE CAPITAL		
Authorized :-		
75,000,000 (75,000,000) Equity Shares of ₹ 2/- each	1,500.00	1,500.00
500,000 (500,000) Cumulative Redeemable Preference shares of ₹ 100/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, Subscribed and Paid up :-		
65,136,860 (61,926,860) Equity Shares of ₹ 2/- each	1,302.74	1,238.54
Notes:		
Equity Share Capital includes:		
a) 888,100 Shares represent shares allotted as fully paid up pursuant to a contract for consideration other than cash.		
b) 744,000 Shares represent shares which were issued as fully paid bonus shares by Capitalization of Reserves.		
c) 193,650 Shares represent shares which were issued as fully paid up to shareholders of the erstwhile EMCO Esta Capacitors Limited on its amalgamation with the Company, for consideration other than cash.		
d) 6,100,000 Shares represent shares which were issued as fully paid up to shareholders of the erstwhile India Energy Investments Private Limited on its amalgamation with the Company for consideration other than cash.		
	<u>1,302.74</u>	<u>1,238.54</u>
SCHEDULE 1A - SHARE WARRANTS		
Nil (3,210,000 Warrants of ₹ 15.50, each warrant carry option/entitlement to subscribe to one number of equity share of ₹ 2/- each at a price of ₹ 62/- per share)	-	497.55
	<u>-</u>	<u>497.55</u>
SCHEDULE 2 - RESERVES AND SURPLUS		
Capital Reserve :		
As per last Account	1,988.93	33.93
Add: Transfer on Forfeiture of Warrants	-	1,955.00
	<u>1,988.93</u>	<u>1,988.93</u>
Capital Redemption Reserve :		
As per last Account	4.50	4.50
Securities Premium Account :		
As per last Account	25,735.55	23,881.55
Add: Received during the year	1,926.00	1,854.00
	<u>27,661.55</u>	<u>25,735.55</u>
Debenture Redemption Reserve :		
As per last Account	834.66	417.33
Transfer from Profit and Loss Account	-	417.33
	<u>834.66</u>	<u>834.66</u>
General Reserve :		
As per last Account	4,320.31	2,920.31
Add : Transfer from Profit and Loss Account	-	1,400.00
	<u>4,320.31</u>	<u>4,320.31</u>
Foreign Currency Translation Reserve:		
As per last Account	86.72	(8.24)
Addition during the year	441.07	94.96
	<u>527.79</u>	<u>86.72</u>
Surplus :		
Balance in Profit and Loss Account	17,473.34	23,460.28
	<u>52,811.08</u>	<u>56,430.95</u>

Schedules forming part of the Consolidated accounts

	₹ in lakhs	
	As at 31-Mar-11	As at 31-Mar-11
SCHEDULE 3 - SECURED LOANS		
<i>(Refer note 5 of Schedule 14)</i>		
1. 12.50% Non Convertible Debentures	5,000.00	5,000.00
2. Vehicle Loans	50.44	56.69
3. Term Loans		
a) Term Loan Working Capital From Bank	2,500.00	-
b) Term Loan From Bank	2,398.10	3,234.00
c) Term Loan From Bank	4,423.00	4,513.00
4. Loans Against FDRs'	-	11.37
5 Working Capital from Banks		
a) Working Capital Demand Loan	13,311.87	12,248.79
b) Foreign Currency Demand Loan	2,531.57	1,007.83
c) Cash Credit / Packing Credit - Rupee / Foreign Currency	10,387.74	4,446.21
	<u>40,602.72</u>	<u>30,517.89</u>
SCHEDULE - 4 - DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Arising on account of timing difference in		
- Depreciation Allowance	2,877.51	2,925.20
Deferred Tax Assets		
Arising on account of timing difference in		
- Expenses & Others	(2,575.58)	(444.67)
NET DEFERRED TAX LIABILITY	<u>301.93</u>	<u>2,480.53</u>

Schedules forming part of the Consolidated accounts

Schedule 5:

Fixed Assets

₹ in lakhs

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION/IMPAIRMENT					NET BLOCK		
	As at 01- Apr- 10	On acquisition of Subsidiary / Joint Venture	Addition during the Year	Deduction during the year	As at 31- Mar-11	As at 01- Apr- 10	On acquisition of Subsidiary / Joint Venture	For the Year	Adjustments/ (Deductions)	As at 31- Mar-11	As at 31- Mar-10
Tangible Assets:											
Free hold Land	488.89	-	1,323.63	-	1,812.52	-	-	-	-	1,812.52	488.89
Lease Hold Land	27.28	-	-	-	27.28	1.63	-	0.81	-	24.84	25.65
Buildings	7,454.82	-	32.77	-	7,487.59	1,513.34	-	216.58	-	1,729.92	5,941.48
Plant & Machinery	11,558.71	-	2,820.73	37.11	14,342.33	4,773.67	-	776.74	20.14	5,530.27	6,785.04
Air Craft	291.42	-	-	-	291.42	34.29	-	16.32	-	50.61	257.13
Wind Energy Generators	6,010.38	-	-	-	6,010.38	1,446.70	-	621.47	-	2,068.17	4,563.68
Air Conditioners & Office Equipments	384.49	16.35	61.66	0.64	461.86	110.55	2.41	22.43	0.74	134.65	273.94
Furniture & Fixtures	1,067.01	13.53	28.70	3.79	1,105.45	409.48	0.46	68.12	0.51	477.55	657.53
Vehicles	528.36	31.34	74.68	37.91	596.47	119.56	2.50	55.33	19.63	157.76	408.80
Lease hold Improvements	-	-	145.70	-	145.70	-	-	10.63	-	10.63	-
Intangible Assets:											
Goodwill	88.15	6,867.28	-	-	6,955.43	41.09	-	11.78	-	52.87	47.06
Technical Know-how & Licenses	1,056.36	-	38.62	(0.07)	1,095.05	791.62	-	97.06	(0.05)	888.73	264.74
Total	28,955.87	6,928.50	4,526.49	79.38	40,331.48	9,241.93	5.37	1,897.27	40.97	11,103.60	19,713.94
Depreciation transferred to Capital work in progress								1.03			
Grand Total	28,955.87	6,928.50	4,526.49	79.38	40,331.48	9,241.93	5.37	1,896.24	40.97	11,103.60	19,713.94
Previous Year	27,214.62	84.54	3,287.01	1,630.30	28,955.87	8,074.84	2.69	1,804.24	639.84	19,713.94	19,139.78

Notes :-

- Buildings include Five shares of ₹ 50 each fully paid in Virgo Co-operative Housing Society Limited and Five Shares of ₹ 50 each in Brij Co-operative Housing Society Limited, Sixty shares of ₹ 50 each in Tripura Lok Dhara Co-operative Housing Society Limited, Twenty shares of ₹ 50 each in Nandi Lok Dhara Co-operative Housing Society Limited, Thirty shares of ₹ 50 each in Saket Towers Co-operative Housing Society Limited, Thirty Five shares of ₹ 50 each in Saket Co-operative Housing Society Limited and Ten shares of ₹ 50 each in Aspen Ascot Co-operative Housing Society Limited.
- Air Craft amounting to ₹ 291.42 lakhs (Previous Year ₹ 291.42 lakhs), Office Equipment amounting to ₹ 0.25 lakhs (Previous Year ₹ 0.01 lakhs), Furniture and Fixture amounting to ₹ 0.03 lakhs (Previous Year Nil), Computers amounting to ₹ 0.28 lakhs (Previous Year ₹ 0.15 lakhs) and Vehicles amounting to ₹ 2.71 lakhs (Previous Year ₹ 2.71 lakhs) are Assets jointly owned by Company.
- Addition/Deduction to Gross block include net gain of ₹ 0.33 (Previous year ₹ 0.66) and Adjustments /Deductions is net of gain of ₹ 0.14 (Previous year loss of ₹ 0.04) on account of translation of fixed assets and depreciation to date respectively of foreign subsidiary/joint ventures, the effect of which is considered in foreign currency translation reserve.

Schedules forming part of the Consolidated accounts

₹ in lakhs

	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE - 6 - INVESTMENTS (at cost) (Long Term)		
1 Non Trade		
In Government Securities		
National Saving Certificate (held in the name of employee and deposited with Government Department)	-	0.50
Others		
(A) Quoted:		
(a) Nil (22,524) Equity Shares of ₹ 10 each fully paid up in Andhra Bank Limited	-	20.27
(b) Nil (9,172) Equity Shares of ₹ 10 each fully paid up in Union Bank of India	-	10.09
(c) Nil (9,572) Equity Shares of ₹ 10 each fully paid up in Bombay Rayon Fashions Limited	-	6.70
(d) 3,600 (3,600) Equity Shares of ₹ 10 each fully paid up in Morarka Finance Limited	0.36	0.36
(e) Nil (100,437) Equity Shares of ₹ 10 each fully paid up in Dena Bank Limited	-	27.48
(f) Nil (5,000) Equity Shares of ₹ 2 each fully paid up in Cipla Limited	-	6.12
(g) Nil (1,200) Equity Shares of ₹ 10 each in Development Credit Bank Limited (Aggregate Market Value ₹ 0.36 lakhs Previous Year ₹ 168.31 lakhs)	-	0.18
(B) Unquoted:		
(i) 1,667 (1,667) Equity Shares of ₹ 10 each of Cozy Properties Private Limited	116.76	116.76
(ii) 8,346 (8,346) Non-Cumulative Preference Shares of ₹ 10 each of Cozy Properties Private Limited	834.60	834.60
(iii) 2,000 (2,000) Equity Shares of Ribhoi Engineering Company Pvt. Ltd.	0.10	0.10
2 Trade (Unquoted)		
Investment (Others)		
20 (Nil) shares of Indonesian Rupaiah 500,000 each of PT Sanmati Natural Resources	0.49	-
1,500,000 (1,500,000) Nos. of Preferred Stock of US\$ 1 each of Signet Solar Inc.	*	676.95
* ₹ 442	<u>952.31</u>	<u>1,700.11</u>
Investments purchased and sold during the year		₹ in lakhs
Scrip Name	Nos.	Purchase Cost
Power Grid Corporation of India Limited	58,152	52.34
		Sales Value
		56.13

Schedules forming part of the Consolidated accounts

	₹ in lakhs	
	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
(As taken, valued and certified by Management)		
Store, Spares and Packing Material	365.34	80.05
Raw Materials	7,820.16	7,973.82
Stock in Transit	221.75	1,207.24
Work-in-progress	6,503.45	5,997.34
Finished Goods	434.31	-
	<u>15,345.01</u>	<u>15,258.45</u>
SUNDRY DEBTORS		
<i>Secured and considered good:</i>		
- Debts outstanding over six months	-	-
- Other Debts	3,129.38	2,792.36
<i>Unsecured and considered good :</i>		
- Debts outstanding over six months	14,474.35	14,179.68
- Other Debts	41,646.74	30,774.88
	<u>59,250.47</u>	<u>47,746.92</u>
CASH AND BANK BALANCES		
Cash in hand (including Cheques on Hand)	3,675.12	881.85
<i>Balance with Scheduled Banks :</i>		
In Current Accounts	184.47	195.59
In Fixed Deposit	11,692.87	16,671.94
In Margin Money & Lien	1.53	29.00
<i>Balance with Others :</i>		
In Current Accounts	98.84	46.73
In Fixed Deposit(s)	75.90	-
	<u>15,728.73</u>	<u>17,825.11</u>
OTHER CURRENT ASSETS		
Contract Revenue in Excess of Billing	1,397.73	686.32
	<u>1,397.73</u>	<u>686.32</u>
LOANS AND ADVANCES :		
<i>Secured and considered good :</i>		
Advances recoverable in cash or in kind or for value to be received	4.62	2.48
<i>Unsecured and considered good :</i>		
Advances recoverable in cash or in kind or for value to be received	13,358.95	13,392.00
Other Deposits	939.71	6,184.93
[includes deposits with parties which are related to Directors, ₹ 100 lakhs (Previous Year ₹ 100 lakhs), maximum amount outstanding during the year ₹ 100 lakhs (Previous Year ₹ 100 lakhs)]		
Inter Corporate Deposit	750.00	684.61
Income Tax (Net of Provision)	910.70	309.22
Balances with Excise Authorities	2,101.85	1,793.88
Other Advances	1,026.41	481.96
	<u>19,092.24</u>	<u>22,849.08</u>
TOTAL CURRENT ASSETS	<u>110,814.18</u>	<u>104,365.88</u>

Schedules forming part of the Consolidated accounts

₹ in lakhs

	As at 31-Mar-2011	As at 31-Mar-2010
SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES :		
Sundry Creditors and Other Liabilities :		
Due to Micro, Medium and Small Scale Industries	20.24	13.77
Bills Payable	20,197.01	8,214.91
Others	19,307.57	21,144.17
Advances against orders	4,545.59	4,125.16
Billing In Excess of Contract Revenue	3,136.48	1,207.07
Interest accrued but not due	19.75	46.48
<i>Investor Education and Protection Fund shall be credited by following amounts when due:</i>		
Unclaimed Dividends	11.03	7.68
	<u>47,237.67</u>	<u>34,759.24</u>
B. PROVISIONS :		
Employee Benefits	201.21	144.79
Proposed Dividend	130.27	866.98
Tax on Dividend	21.13	147.34
	<u>352.61</u>	<u>1,159.11</u>
TOTAL CURRENT LIABILITIES	<u>47,590.28</u>	<u>35,918.35</u>

₹ in lakhs

	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
SCHEDULE 9 - OTHER INCOME		
Extraordinary Item (Refer Note. 8 of Schedule 14)	-	12,734.71
Dividend	3.92	9.46
Profit on Sale of Investments (Net)	138.37	20.75
Miscellaneous Receipts	17.63	36.41
	<u>159.92</u>	<u>12,801.33</u>

Schedules forming part of the Consolidated accounts

	₹ in lakhs	
	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
SCHEDULE 10 - MATERIALS		
OPENING STOCK :		
Raw Material	7,973.82	11,003.18
Stock in Transit	1,207.24	-
Work-in-progress	5,997.34	6,521.28
	<u>15,178.40</u>	<u>17,524.46</u>
Purchases and Related Charges	90,668.45	72,133.19
	<u>105,846.85</u>	<u>89,657.65</u>
LESS :		
CLOSING STOCK :		
Raw Material	7,820.16	7,973.82
Stock in Transit	221.75	1,207.24
Work-in-progress	6,503.45	5,997.34
Finished Goods	434.31	-
	<u>14,979.67</u>	<u>15,178.40</u>
	<u>90,867.18</u>	<u>74,479.25</u>

	₹ in lakhs	
	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
SCHEDULE 11 - EMPLOYEE COST		
<i>Employees Remuneration and Benefits :</i>		
Salaries, Wages and Bonus	5,297.04	5,037.90
Contribution to Provident and Other Funds	357.07	266.86
Workmen and Staff Welfare expenses	198.42	151.56
	<u>5,852.53</u>	<u>5,456.32</u>

Schedules forming part of the Consolidated accounts

	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
₹ in lakhs		
SCHEDULE 12 - OTHER EXPENSES		
Stores and Spares consumed	253.78	190.54
Power and Fuel	631.72	555.44
<i>Repairs and Maintenance:</i>		
Buildings	138.92	94.20
Plant and Machinery	205.96	227.27
Others	162.99	141.19
	<u>507.87</u>	<u>462.66</u>
Rent and Compensation	230.27	129.97
Rates and Taxes	119.86	61.20
Insurance Charges (Net)	289.20	217.53
Travelling and Conveyance	1,293.40	956.47
Freight (Net)	327.87	228.12
Advertisement	15.85	34.29
Commission on Sales	1,863.29	1,162.28
Sales Promotion Expenses	251.47	319.73
Legal and Professional fees	809.82	921.93
Postage, Telephone and Fax	160.26	153.85
Printing and Stationery	106.72	81.94
Vehicle Expenses	177.77	93.81
Directors' Sitting Fees	6.25	3.03
Membership and Subscription	30.21	29.62
Bank charges, Guarantee Commission and Other charges	977.77	704.15
Loss on Disposal of Fixed Assets (Net)	15.35	76.51
Warranty and after sales expenses	1,095.32	264.82
Donation	71.01	38.76
Miscellaneous Expenses	112.03	93.33
Staff Training and Recruitment	122.12	128.67
Security Charges	276.80	165.45
Sundry Balances Written Off (Net)	205.29	57.53
Testing Charges	44.59	45.58
Foreign Exchange Fluctuation	(134.12)	56.00
Impairment of available for sale investment	676.95	-
	<u>10,538.72</u>	<u>7,233.21</u>

	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
₹ in lakhs		
SCHEDULE 13 - INTEREST EXPENSES		
On Debentures	625.00	623.29
On Term Loans	672.85	785.17
On Working Capital	3,027.88	2,522.42
To Others	936.91	608.08
	<u>5,262.64</u>	<u>4,538.96</u>
Less :		
Interest from bank and others	483.33	547.15
[Tax Deducted at Source ₹ 33.26 lakhs (₹ 32.76 lakhs)]		
	<u>4,779.31</u>	<u>3,991.81</u>

Schedules forming part of the Consolidated accounts

SCHEDULE 14 - NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies:

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The significant accounting policies are as follows:

A. Basis of Accounting:

- (i) The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i. e. year ended 31st March 2011.
- (ii) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the Parent Company, the Subsidiary Companies and the Joint Venture Companies have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.

B. Principles of Consolidation:

The consolidated financial statements include the financial statement of EMCO Limited (the "Company"), the parent Company and all its subsidiaries and Joint Ventures (collectively referred to as the "EMCO Group")

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

- a. The financial statements of the Subsidiary Companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra-group transactions resulting in unrealised profits and losses, if any.
- b. In case of foreign subsidiaries, being non-integral foreign operations, the assets and liabilities are translated at the closing rate and the revenue items are consolidated at the average rates prevailing during the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- c. The excess of cost to the Company of its investments, if any in the Subsidiary over the Company's portion of equity of the Subsidiary is recognised in the financial statements as Goodwill.
- d. The excess, if any of Company's portion of equity of the Subsidiary as at the date of its investment is treated as Capital Reserve.
- e. Minority interest in the Net Assets of consolidated Subsidiary consist of:
 1. the amount of equity attributable to minority shareholders at the date on which investment in a Subsidiary is made; and
 2. the minority shareholders' share of movements in equity since, the date the parent Subsidiary relationship came into existence.

Joint Ventures

- a. The financial statements of the Joint venture Companies have been combined using Proportionate consolidation method as stated in Accounting standard 27 "Financial Reporting of Interests in Joint Ventures". Inter-company transactions and balances are eliminated to the extent of the company's interest in the joint ventures. Unrealized losses are not eliminated to the extent the cost of the transferred asset cannot be recovered.
- b. In case of foreign Joint ventures, being non-integral foreign operations, the assets and liabilities are translated at the closing rate and the revenue items are consolidated at the average rates prevailing during the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- c. The excess of cost to the ventures of its interest in a jointly controlled entity over its share of net assets of the jointly controlled entity, at the date on which interest in the jointly controlled entity was acquired, is recognised in the financial statements as Goodwill.
- d. The excess, if any of share of the jointly controlled entity's portion of net asset as at the date on which interest in the jointly controlled entity was acquired, is treated as Capital Reserve.
- e. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Schedules forming part of the Consolidated accounts (contd).

Description of the EMCO Group:

The Group Subsidiaries, Step Down Subsidiaries and Joint Ventures are set out below:

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
Subsidiaries		
EMCO Power Limited	India	100%
EMCO Renewable Energy Limited (Formerly known as EMCO Power Infrastructure Limited)	India	100%
EMCO Overseas Pte Limited	Singapore	100%
EMCO Infrastructure Limited	India	100%
East West Power Generation Company Limited.	India	100%
PT Setenco Investa Niaga (From 26 th November 2010)	Indonesia	98.80%
EMCO Edison Transformer Pty. Ltd	South Africa	51%
Joint Ventures Through Subsidiary		
Shyam EMCO Infrastructure Limited	India	50%
Kalinga Energy and Power Limited (From 15 th September 2010)	India	50%
PT Bina Insan Sukses Mandiri (From 26 th November 2010)	Indonesia	37.36%
Rabaan (S) Pte. Ltd	Singapore	37.35%
PT Vardhaman Mining Services	Indonesia	37.35%
PT Vardhaman Logistics	Indonesia	21%

C. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent amounts as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively when revised.

D. Fixed Assets / Capital Work in Progress:

Expenditure, which is of capital nature, is capitalised. Such expenditure includes purchase price, import duties, levies, and attributable cost of bringing the asset to its operating condition. The assets acquired on Hire Purchase basis have been capitalised at the gross value and interest thereon is charged to Profit and Loss Account. Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

E. Depreciation / Amortisation:

Indian Companies:-

I. Tangible Assets

Depreciation has been calculated in accordance with Section 205(2) (b) of the Companies Act, 1956, as under:

- The depreciation is provided from the date the assets are put to use, on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except following Assets which are depreciated over period of its estimated useful life:

Asset	Estimated Useful Life
i) Porta Cabin	5 years
ii) Form Box	5 years
iii) Templates	5 years

Schedules forming part of the Consolidated accounts (contd).

- b. The Company provides 100% depreciation on fixed assets with value less than or equal to ₹ 5,000 as per the provisions of Schedule XIV of the Companies Act 1956.
- c. Leasehold Improvements are amortised over the primary lease period.

II. Intangible Assets

- a. These are amortised over their useful life, not exceeding five years.
- b. Deferred Revenue Expenditure is written off in the year of expenditure.

- III. Leasehold land, which are given by Central/State Government authorities are not amortised in view of the long tenure of the lease.

Foreign Companies:

In case of foreign companies, depreciation on fixed assets has been provided at the rates required / permissible by the GAAPs of the respective countries and such depreciation rates are higher than the rates specified in the Schedule XIV to the Companies Act, 1956.

F. Investments:

Long term investments are stated at cost less permanent diminution in value, if any.

G. Valuation of Inventories:

Raw Materials, Stock in Process, Stores and Spares are valued at cost and net of credits under the scheme of Cenvat Rules and VAT Rules. Finished goods are valued at cost, or Market Value / Contract Price, whichever is less. Cost is determined on a weighted average basis. Excise duty is included in the value of finished goods.

H. Revenue Recognition:

- I. Sales are inclusive of Excise Duty, Duty Drawback but net of Sales Tax, Returns, Trade Discounts and incentives.
- II. Revenue from long term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.
- III. Dividend Income is recognised when the right to receive dividend is established. Interest Income is recognized on time proportion basis.

I. Foreign Exchange Transactions:

Foreign Currency transactions are recorded at exchange rates prevailing on the date of respective transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuation.

Gain or loss on restatement of forward exchange contracts for hedging underlying outstanding at the balance sheet date are recognised in the profit and loss account for the year in which it occurs. The premium or discount on such contracts is recognised in the profit and loss account over the period of the contract.

Gain or loss on fair valuation of forward exchange contracts and embedded derivative contracts for hedging highly forecasted transaction are recognised in the profit and loss account for the year in which it occurs.

J. Derivative instruments (Commodity derivatives)

In order to hedge its exposure to commodity price risk, the Company enters into non speculative hedges, such as forward, option or swap contracts and other appropriate derivative instruments. These instruments are used only for the purpose of managing the exposure to commodity price risk and not for speculative purposes. The premium and gains/ losses arising from settled derivative contracts, and mark to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are credited for gains or charged for losses to the raw material consumed in so far as it relates to the derivative instruments taken to hedge risk of movement in price of Raw Material, the net MTM gains in respect of outstanding derivatives contracts are not recognized on conservative basis.

Schedules forming part of the Consolidated accounts (contd).

K. Export Obligations / Entitlements / Incentives:

Benefit / (Obligation) on account of entitlement on export or deemed export orders, to import duty-free raw materials, under the various Exim Schemes are estimated and accounted in the year in which the export/deemed export orders are executed.

L. Employee Benefits:

Contributions to the recognised Provident Fund, Gratuity Fund and provision for other long term employee benefits- leave, defined benefit schemes, are made on the basis of actuarial valuations made at the end of each financial year are charged to the profit and loss account during the year.

Actuarial gains and losses are recognised immediately in the profit and loss account.

M. Operating Lease:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

N. Stock Based Compensation:

In accordance with the Employee Stock Option Scheme (ESOS), the Company recognises the excess, if any, of the market price of the options granted as on the date of the grant over the exercise price of the options, and amortises it on a straight-line basis over the vesting period.

O. Taxation:

- Provision for Income Tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961.
- Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as on the Balance Sheet Date.
- Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.

P. Impairment of Fixed Assets:

The carrying amount of assets is reviewed periodically for 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. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

Q. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit & Loss Account.

R. Provisions for contingencies:

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits which will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company provides for warranty cost based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

Schedules forming part of the Consolidated accounts (contd).

S. Research & Development

All revenue expenses pertaining to research and development are charged to the profit and loss account in the year in which they are incurred and expenditure of capital nature is capitalised as fixed assets and depreciated as per the company's policy.

2. Contingent Liabilities not provided for in respect of :

		₹ in lakhs	
Sr. No.	Particulars	31-Mar-11	31-Mar-10
a)	Bank Guarantees outstanding as at the year end (Gross) -(Secured)	70,062.51	70,420.10
b)	Bank Guarantees outstanding as at the year end (Gross) -(Secured) Given for erst-while Subsidiary, EMCO Energy Limited (Subsidiary upto 24 th July 2009)	NIL	60.63
c)	Letters of Credit outstanding (net) as at the year end (Secured)	9,284.84	8,583.42
d)	Guarantee given for Subsidiary Company	5,307.60	5,415.60
e)	Guarantee given by Subsidiary Company for its Holding company	4,423.00	-
f)	Disputed amount of Sales Tax in respect of which appeals have been filed.	93.54	31.02
g)	Claims made by workmen for re-instatement. Matters Subjudice.	Amount not ascertainable	
h)	Disputed amount of Income Tax in respect of which rectification has been filed	590.13	357.78
i)	Disputed amount of Excise duty and Service tax in respect of which the Company is in appeal.	2,336.80	1,847.69
j)	Claim of about ₹ 28.36 lakhs (₹ 39.26 lakhs) by suppliers against the Company. The matter is Subjudice.		
k)	A Suit of ₹ 107 lakhs (₹ 107 lakhs) filed by a Sub-Contractor against the company, proceeding is pending before Sole Arbitrator.		
l)	Summary suit of ₹ 10.13 lakhs (₹ 10.13 lakhs) filed by one supplier against the Company. The matter is Subjudice.		
m)	Claim filed against the company for compensation not acknowledged as debt ₹ 7.52 lakhs (₹ 27.36 lakhs).		

3. The Company has filed a suit against one customer claiming damages of ₹ 110.91 lakhs (₹ 110.91 lakhs) and also filed a suit for an order restraining invocation of bank guarantee amounting to ₹ 8.50 lakhs (₹ 8.50 lakhs) from the customer.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to ₹ 8,441.03 lakhs (₹ 672.73 lakhs)

5. Terms of Secured Loans (Refer Schedule 3):

- 500 - 12.5% Non Convertible Debentures of ₹ 10 lakhs each referred in (1) of Schedule 3 are secured by way of Mortgage on Building situated at MIDC-Thane, Umala-Jalgaon and on Land and Building situated at MIDC-Jalgaon and hypothecation on Plant & Machinery, Furniture, Electrical & other installations, Office Equipments & Air conditioners situated at MIDC-Thane, MIDC-Jalgaon, Umala-Jalgaon and Dadra. This will be redeemed in three equal annual instalment commencing from 24 December 2011.
- Vehicle Loans referred in (2) of Schedule 3 are secured by way of charge of respective vehicles financed.
- Term loans referred in 3(a) of Schedule 3 is secured by first pari-passu charge on all the Company's immovable properties situated at MIDC-Thane and MIDC-Jalgaon purchased or to be purchased and the first charge by way of hypothecation of all the Company's movable Fixed Assets and also subject to exclusive charges and/or to be created on specific items of plant and machinery/equipments.
- Term loan referred in 3(b) of Schedule 3 is secured by exclusive first charge by way of mortgage on the specific land on which the windmills are installed in Maharashtra and exclusive first charge by way of hypothecation on movable fixed assets (plant, machinery, equipments) pertaining to windmills.
- Term loan referred in 3 (c) of Schedule 3 is secured by
 - Pledge over the Subsidiary Company interest/shareholding in
 - Rabaan (S) Pte. Limited,
 - PT Vardhaman Logistics,
 - PT Vardhaman Mining Services,
 - PT Setenco Investga Niaga and
 - PT Bina Insan Sukses Mandiri.

Schedules forming part of the Consolidated accounts (contd).

Out of the above mentioned companies, the Bank would have second rank pledge of shares in PT Setenco Investga Niaga and PT Bina Insan Sukses Mandiri. However, the Bank shall have first right to appropriate proceeds of any share sale;

2. Corporate guarantee from PT Setenco Investga Niaga;
 3. Singapore Law debenture on cash and receivables of the subsidiary company related to Indonesian coal mining business; and
 4. Corporate guarantee by the holding company, EMCO Limited covering all obligations of the subsidiary company under the loan facility.
- f. Working Capital Loans from Banks referred in 4(a), 4(b) & 4(c) of Schedule 3 and Bank facilities mentioned in Note No. 2 (a), (b) & (c) above are secured against hypothecation by way of first charge on Raw Materials, Stocks-in-process, Finished Goods, Consumable Stores and Spares, Book Debts except book debts & receivables pertaining to wind mill, Outstanding and Claims both present and future. This is further secured by Second Charge on the Company's all movable Fixed Assets except pertaining to wind mill and on immovable properties situated at MIDC-Thane, MIDC-Jalgaon and Umala-Jalgaon.

6. Managerial Remuneration:

₹ in lakhs		
Particulars	31-Mar-11	31-Mar-10
Directors' Sitting Fees	6.25	3.03
Salaries and Perquisites	139.70	177.27
Commission	NIL	437.50
Total	145.95	617.80

Managerial Remuneration is exclusive of provision for leave encashment and gratuity, as it is provided in the books on the basis of actuarial valuation for the Company as a whole.

7. Employee Stock Option Scheme (ESOS):

The details of options outstanding at the beginning of the year, options granted, options exercised and options lapsed during the year is given below:

Particulars of Options	Price for Shares	Particulars	Outstanding at the beginning of the year (Nos.)	Granted during the year (Nos.)	Exercised during the year (Nos.)	Lapsed During the year (Nos.)	Outstanding at the end of the year (Nos.)
I	90	Employees	260	NIL	NIL	260	NIL
		Options	71450	NIL	NIL	71,450	NIL
II	126	Directors	4	NIL	NIL	4	NIL
		Options	20,000	NIL	NIL	20,000	NIL
III	174	Employees	1	NIL	NIL	1	NIL
		Options	4,000	NIL	NIL	4,000	NIL
IV	256	Employees	3	NIL	NIL	3	NIL
		Options	9,500	NIL	NIL	9,500	NIL
V	150	Employees	24	NIL	NIL	5	19
		Options	30,500	NIL	NIL	6,800	23,700
VI	109	Employees	1	NIL	NIL	NIL	1
		Options	500	NIL	NIL	NIL	500
VII	63	Employees	NIL	1	NIL	NIL	1
		Options	NIL	5,000	NIL	NIL	5,000
VIII	62.25	Employees	NIL	1	NIL	NIL	1
		Options	NIL	10,000	NIL	NIL	10,000
IX	63	Employees	NIL	1	NIL	NIL	1
		Options	NIL	5,000	NIL	NIL	5,000

Against each of the above option the eligible employee is entitled to acquire five equity share of ₹ 2/- each of the Company.

Schedules forming part of the Consolidated accounts (contd).

8. Extraordinary Item:

During the previous year Company has sold one of its subsidiaries "EMCO Energy Limited" which was setting up power plant at Warora, Maharashtra and has net gain of ₹ 9,849.32 lakhs (net of tax of ₹ 2,885.38 lakhs)). Being non-recurring in nature same has been treated as an extraordinary item.

9. Earnings Per Share (EPS):

₹ in lakhs		
Particulars	31-Mar-11	31-Mar-10
(a) Amount used as numerator for calculating Earnings Per Share	(5,838.88)	2,955.79
(b) Amount used as numerator for calculating Earnings Per Share after extra ordinary item	(5,838.88)	12,805.12
(c) Weighted Number of Shares outstanding during the period used for calculating Basic Earnings Per Share	62,753,545	58,887,655
Add: Adjustment for dilutive potential equity shares	NIL	1,494,221
Weighted number of shares used for Calculating Dilutive Earnings Per Share	62,753,545	60,381,876
(d) Earnings Per Share in ₹ (Equity Shares having face value ₹ 2/-)		
Basic	(9.30)	5.02
Diluted	(9.30)	4.90
(e) Earnings Per Share in ₹ after extra ordinary item (Equity Shares having face value ₹ 2/-)		
Basic	(9.30)	21.74
Diluted	(9.30)	21.21

10. Related Party Disclosure:

A. List of Related Parties with whom the Company had transactions

- i. Key Management Personnel and their Relatives
 - Mr. Rajesh S. Jain
 - Mr. Shailesh S. Jain
 - Mr. Ajay K. Dhagat
 - Mr. R. S. Shah (upto 19th April 2010)
 - Ms. Meenakshi Jain
 - Ms. Ratna S. Jain
 - Ms. Urmila R. Shah (upto 19th April 2010)
- ii. Entities where Key Management Personnel have Significant Influence:
 - Purna Properties and Investments Private Limited
 - EMCO Foundation
 - EMCO Power Quality Solutions Limited
- iii. Joint Ventures
 - PT Vardhaman Logistics
 - PT Vardhaman Mining Services
 - Rabaan (s) Pte. Limited.
 - Shyam EMCO Infrastructure Limited
 - Kalinga Energy & Power Limited
 - PT Bina Insan Sukses Mandiri (from 26th November 2010)
- iv. Association of Persons
 - Arki Aviation

Schedules forming part of the Consolidated accounts (contd).

B. Transactions during the Year with Related Parties Mentioned Above

		₹ in lakhs	
Nature of Relationship	Nature of Transaction	31-Mar-11	31-Mar-10
Key Management Personnel and their relatives:	Remuneration paid	As disclosed in Note 6 of Schedule 14	
	Consultancy Fees		
	Salary Paid		
	Rent Expense		
Entities where Key Management Personnel have Significant Influence:	Rent Recovered	0.41	0.40
	Expenses incurred and recovered	NIL	2.89
	Donation	63.20	25.00
Association of Person	Advance Given	85.03	15.00
	Share of Flying and Maintenance Expenses	62.29	52.21
Joint Ventures	Net Advance Given	435.25	1,473.20

C. Balance Outstanding at the Year-end with Related Parties mentioned above

		₹ in lakhs	
Nature of Relationship	Nature of Transaction	31-Mar-11	31-Mar-10
Key Management Personnel and their relatives:	Deposit given	100.00	100.00
Association of Person	Payable to AOP	31.57	54.31
	Advance Given	NIL	15.00
Joint Venture	Advance Given	2,032.28	1,597.03

11. Segment Reporting:

The Group has only one reportable segment, i.e. Transmission and Distribution Segment within the Power Sector.

12. Disclosure as required by Accounting Standard 19 'Leases'

Operating Lease:

- a. The Company's significant leasing arrangements are in respect of residential flats, office premises taken on lease. The arrangements are generally from 1 month to 60 months. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Profit and Loss Account for the year and included under Rent and Compensation (Disclosed under Schedule 12). Total of Minimum lease payment for a period: -

		₹ in lakhs	
Particulars		31-Mar-11	31-Mar-10
Not later than one year		311.07	20.73
Later than one year and not later than five years		269.77	NIL
Later than five years		NIL	NIL

- b. Commercial / residential premises have been given on operating lease having original cost of ₹ 23.44 lakhs (₹ 22.42 lakhs) and accumulated depreciation of ₹ 7.36 lakhs (₹ 4.75 lakhs) as at 31st March 2011. Depreciation on the above assets for the current year is ₹ 0.38 lakhs (₹ 0.37 lakhs). In respect of the above arrangements, lease rentals receivable are recognised in the Profit and Loss Account for the year and included in Other Income.

- c. The initial direct costs in respect of operating leases are recognised in the Profit and Loss Account

13. Payment to Auditors' (Net of Service Tax):

		₹ in lakhs	
Particulars		31-Mar-11	31-Mar-10
Audit Fees		35.20	39.90
Tax Audit Fees		3.00	3.00
Certification and other matter		8.84	27.35
Out of pocket expenses		0.13	0.09

Schedules forming part of the Consolidated accounts (contd).

14. Disclosure under Accounting Standard-7 'Construction Contracts'

Particulars	₹ in lakhs	
	31-Mar-11	31-Mar-10
Contract revenue recognized as revenue for the year ended 31st March.	65,437.39	51,049.75
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to 31st March for all the contracts in progress.	152,819.26	94,552.79
The amount of customer advances outstanding for contracts in progress as at 31st March.	1,647.13	772.41
The amounts of retentions from customers for contracts in progress as at 31st March.	19,146.33	10,045.43

15. Research and Development

Company has incurred total expenditure of ₹ 42.07 lakhs (₹ 183.93 lakhs) on Research and Development activities.

16. Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and other balances are as per books of accounts and subject to confirmation and reconciliation, if any.

17. Other notes are, as set out in the notes forming part of the accounts under respective schedules of each Company.

18. Figures of previous year have been regrouped/rearranged, wherever necessary, to conform to those of the current year.

As per our report of even date

For P. RAJ & CO.
Chartered Accountants

Sd/-
P. S. Shah
Proprietor
Membership No. 44611
Firm Registration No. 108310W
Mumbai, 30th May 2011

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
Sd/-
A. K. Dhagat
Managing Director
Sd/-
Ajay Jain
Chief Financial Officer
Mumbai, 30th May 2011

Sd/-
S. S. Jain
Vice Chairman
Sd/-
T. N. V. Ayyar
Director
Sd/-
Praveen Kumar
Company Secretary

Statement pursuant to section 212 of the Company's Act, 1956 relating to Subsidiary Companies

Name of Subsidiary	EMCO Renewable Energy Limited formerly known as EMCO Power Infrastructure Limited	EMCO Power Limited	EMCO Infrastructure Limited (Subsidiary of EMCO Power Limited)	East West Power Generation Company Limited (Subsidiary of EMCO Power Limited)	EMCO Overseas Pte. Limited	EMCO Edison Transformer Pty Limited (Subsidiary of EMCO Overseas Pte Limited)	PT Setenco Investa Niaga (Subsidiary of EMCO Overseas Pte Limited)
The Financial Year Of the Subsidiary Company ended on	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Dec-2010
Date from which they became Subsidiary Company	9th December 2009	15th May 2008	14th May 2008	14th May 2008	31st January 2008	5th May 2008	26th November 2010
a) No. of equity shares held by EMCO Limited either directly or through subsidiaries or Nominees	50,000 Equity Shares of face value of ₹ 10 each fully paid up	50,000 Equity Shares of face value of ₹ 10 each fully paid up	50,000 Equity Shares of face value of ₹ 10 each fully paid up	50,000 Equity Shares of face value of ₹ 10 each fully paid up	10 Ordinary Shares of face value SGD 1 each fully paid up	510 Ordinary Shares of ZAR 1 each fully paid up	988 Ordinary Shares of Rp 1,000,000 each fully paid up
b) Extent of interest in the Capital of the Subsidiary	100%	100%	100%	100%	100%	51%	98.8%
The net aggregate amount of Profit /(Loss) of the Subsidiary so far as it concerns the Member of the company:							
a) Dealt With in the accounts of the Company :							
(i) For the year ended on 31st March 2011 (₹ in lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) For the previous financial years since it become subsidiary (₹ in lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Not Dealt With in the accounts of the Company :							
(i) For the year ended on 31st March 2011 (₹ in lakhs)	NIL	NIL	NIL	NIL	(1,098.40)	(19.43)	(115.63)
(ii) For the previous financial years since it become subsidiary (₹ in lakhs)	NIL	NIL	NIL	NIL	(399.28)	(134.82)	-
Material changes between the end of the financial year of the Subsidiary Company and the Company's financial year ended on 31st March 2011							
a) Fixed Assets (₹ in lakhs)	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b) Investments (₹ in lakhs)	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c) Money Lent (₹ in lakhs)	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d) Money borrowed other than those for meeting Current Liabilities (₹ in lakhs)	N.A	N.A	N.A	N.A	N.A	N.A	N.A

For and on behalf of Board

Sd/-

R. S. Jain
Chairman

Sd/-

T. N. V. Ayyar
Director

Mumbai, 30th May 2011

Sd/-

A. K. Dhagat
Managing Director

Sd/-

Praveen Kumar
Company Secretary

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

Sr. NO.	Particulars	EMCO Renewable Energy Limited formerly known as EMCO Power Infrastructure Limited	EMCO Power Limited	EMCO Infrastructure Limited (Subsidiary of EMCO Power Limited)	East West Power Generation Company Limited (Subsidiary of EMCO Power Limited)	EMCO Overseas Pte. Limited	EMCO Edison Transformer Pty Limited (Subsidiary of EMCO Overseas Pte Limited)	PT Setenco Investa Niaga (Subsidiary of EMCO Overseas Pte Limited)
	Financial year ending on	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Mar-2011	31-Dec-2010
	Reporting Currency	INR	INR	INR	INR	USD	ZAR	IDR
	Exchange Rate In INR as on 31st March 2011	1	1	1	1	44.23	6.782	8,709
	(Figures in lakhs)							
1	Capital	5.00	5.00	5.00	5.00	-	0.07	50.79
2	Reserves	-	-	-	-	(1,438.07)	(341.45)	(86.56)
3	Total Assets	5.06	1,709.96	5.06	5.23	8,234.86	1.15	8,444.32
4	Total Liabilities	0.06	1,704.96	0.06	0.23	9,672.93	342.53	8,480.09
5	Investments (Other than in Subsidiaries)	-	19.50	-	-	215.19	-	-
6	Turnover	-	-	-	-	-	-	1,237.79
7	Profit Before Taxation	-	-	-	-	(1,098.40)	(38.10)	344.66
8	Profit After Taxation	-	-	-	-	(1,098.40)	(38.10)	263.43
9	Provision For Tax	-	-	-	-	-	-	81.23
10	Proposed Dividend	-	-	-	-	-	-	-

For and on behalf of Board

Sd/-
R. S. Jain
Chairman

Sd/-
T. N. V. Ayyar
Director
Mumbai, 30th May 2011

Sd/-
A. K. Dhagat
Managing Director

Sd/-
Praveen Kumar
Company Secretary

This image shows a full-page view of a digital note-taking application. At the top, there is a solid black horizontal bar. Inside this bar, on the left side, the word "NOTES" is written in white, uppercase letters. Below the black bar, the rest of the page is white and filled with horizontal grey lines, providing space for writing notes.

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Founded in 1964, EMCO limited is one of India's leading electrical technology and solutions provider in over 40 countries. With 1700+EMCOites, 5 certified manufacturing plants in India conforming to global standards, product range upto 765kV, EMCO anticipates and develops tailor-made solutions for unique customer needs, leveraging customer case studies to build knowledge references across the company. EMCO is also committed to Environmental & Social responsibility for a better tomorrow.

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Transformers



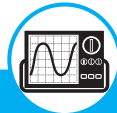
Substations



Transmission
Towers and lines



Smart Meters



Power Quality
Equipment



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