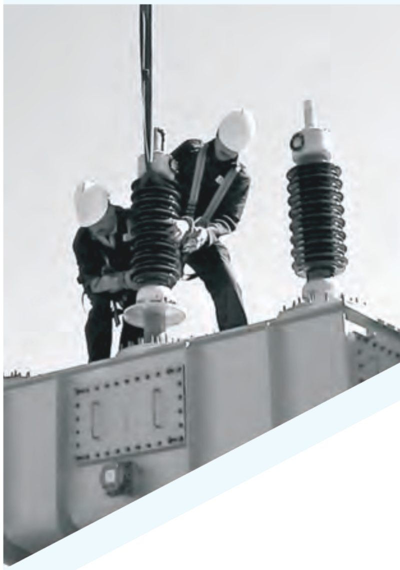


53rd ANNUAL REPORT 2017-18

EMCO
inspired by tomorrow

50 years of Trust & Reliability
1964 - 2014

www.emco.co.in

Products and Solutions for Power Generation, Transmission, Distribution Utilities & Industry

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

Mr. Bherulal Choudhary
B.Com, LL.M.
Independent Director

Mr. Sanjay Bhatnagar
M.E., MBA (Harvard University)
Independent Director

Mrs. Archana Capoor
B.Sc. (Chemistry), MBA (F & MR)
Woman - Independent Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Ganesh Tawari
B.Com. (Hons), ACA, ACS, ACMA

STATUTORY AUDITORS

Chaturvedi & Shah
Chartered Accountants

SOLICITORS

Juris Corp

BANKERS

Dena Bank | State Bank of India |
Bank of India | Kotak Mahindra Bank Limited |
The Federal Bank Limited |
Andhra Bank | Union Bank of India |
Canara Bank | 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 / 2583 0527

Industrial Transformer Plant
N-104, MIDC Area, Mehrun, Jalgoan - 425 003. Maharashtra, India
Tel : +91 257 2272 462 / 572, Fax : +91 257 2272 598

Distribution Transformer Plant
Gat No. 113, 114, 115, Aurangabad Road,
Umala, Jalgaon - 425 003, Maharashtra, India.
Tel: +91 257 2350 506 / 507
Fax : +91 257 2350 505

Tower Plant
Plot No. 519-521, Village: Asoj, Vadodara - Halol Highway
Dist. Vadodara - 391510, Gujarat, India,
Tel: +91 2668 281030 / 29 , 9601151038

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400083.
Tel. No. +91 22 4918 6000
Fax No. +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

OUR VISION

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

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.

EMCO AT A GLANCE

- Began operations in 1964 and listed on Bombay Stock Exchange since 1967
- India's leading products and solutions provider upto 765kV /+- 800kV HVDC for Power Generation, Transmission, Distribution Utilities & Industry
- Among one of the largest manufacturers of Transformers in India
- Manufacturing widest range of Transformers [1MVA - 500MVA / 400kV (3ø) & 315MVA/400kV (1ø)]
- EPC Projects upto 765kV from design to commissioning for AIS and GIS on turnkey basis
- Transmission Line packages upto 765kV AC /+- 800kV HVDC on turnkey basis
- All manufacturing units accredited by Bureau Veritas Certification for ISO 9001, ISO 14001, OHSAS 18001 & ISO / IEC 27001
- 900+ EMCOites located in 4 plants, various project sites & regional offices across India
- Exports to more than 50 countries in Africa, Americas, Europe, Middle-East, Asia Pacific and the Indian subcontinent
- Government recognized IN-HOUSE R&D Centre

CONTENTS

FINANCIAL HIGHLIGHTS

(All amounts in ₹ Lakh, unless otherwise stated)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue Account					
Net Sales	34,598.28	84,134.75	80.625.10	91,223.28	83,067.93
EBIDTA	(8,059.99)	4,091.29	6,843.95	9,253.60	8,913.83
Profit/(Loss) Before Tax (PBT)	(23,291.70)	(9,772.20)	(4,772.20)	607.02	1,082.98
Taxation	(7,269.46)	(2,887.47)	(2,266.61)	281.57	376.13
Profit/(Loss) after Tax (PAT)	(16,022.24)	(6,884.83)	(2,505.59)	325.45	706.85
Capital Account					
Share Capital	1,358.18	1,355.52	1,351.52	1,351.52	1,302.74
Reserves a& Surplus	29,302.43	45,280.03	52,117.41	54,645.81	55,784.48
Shareholder's Fund	30,660.61	46,635.55	53,468.93	55,997.33	57,087.22
Borrowings	1,01,433.34	94,500.00	80,357.99	75,814.47	48,678.08
Financial Ratios					
EBIDTA to Sales	(23.30%)	4.86%	8.49%	10.14%	10.73%
PBT to Sales	(67.32%)	(11.62%)	(5.92%)	0.67%	1.30%
PAT to Sales	(46.31%)	(8.18%)	(3.10%)	0.36%	0.85%
Book Value (Face Value Rs. 2/- per Share)	45.15	68.81	79.12	82.87	87.64
Debt Equity Ratio	3.31	2.03	1.50	1.35	0.85
EPS (Rs.) - Basic	(23.63)	(10.18)	(3.76)	0.50	1.09
Dividend	NIL	NIL	NIL	5%	5%

DIRECTORS' REPORT

To,

The Members of EMCO Limited,

Your Directors present the 53rd Annual Report on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March 2018.

Financial Summary/ Highlights:

During the year under review, the financial performance of the Company is as under:

(Rupees in Lakhs)

Particulars	Standalone	
	2017-18	2016-17
Total Income	34,998.88	86,792.15
Profit/(loss) before exceptional item and tax	(23,291.70)	(5,852.72)
Exceptional Item	-	(3,919.58)
Profit before tax	(23,291.70)	(9,772.30)
Less: Provision for Tax – Current	-	
Deferred Tax	(7269.46)	(2,887.47)
Earlier Year Tax	-	-
MAT Credit Entitlement	-	-
Profit After Taxation	**(16,022.24)**	**(6,884.83)**
Add: Balance brought forward from previous year		
Profit Available For Appropriation	**(6486.92)**	**9,535.32**
APPROPRIATIONS:		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Balance carried to Balance Sheet	(6486.92)	9,535.32
TOTAL APPROPRIATION:	**(6486.92)**	**9,535.32**

Overview of Company's Financial Performance

During the year under review, Income from Sales and Services of the Company stood at Rs. 34,998.88 Lakh as compared Rs. 86,792.15 Lakh in the previous Financial Year.

The Company has incurred a net Loss of Rs. 16,022.24 Lakh in the current financial year against the net loss of Rs. 6,884.83 Lakh in the previous financial year.

Transfer to Reserve:

During the financial year under review, the Company did not transfer any amount to Reserve.

Dividend:

Considering the financial performance of the Company for the year under review, your Directors have not recommended any dividend.

Share Capital:

During the year under review, the Company allotted 66,666 Equity shares to the eligible employees on 16th November, 2017 and 66,666 Equity Shares on 29th January, 2018 pursuant to Employee Stock Option Scheme-2011 of the Company. Consequently, the total paid up equity share capital of the Company increased from Rs. 13,55,51,766 divided in to 6,77,75,883 equity shares of Face Value of Rs. 2/- per share to Rs. 1,35,818,430 divided in to 6,79,09,215 Equity Shares of Face value of Rs. 2/- each.

Change in the nature of business:

There was no change in the nature of business of the Company during the year under review.

Public Deposits:

During the financial year 2017-18, your Company has not accepted any deposit within the meaning of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Subsidiaries, Associates and Joint Ventures Companies:

The Company has following Non-material unlisted subsidiaries:

A. **Direct Subsidiaries** :

  I. **Indian :**

    - EMCO Power Limited
    - EMCO Renewable Energy Limited
    - Shekhawati Transmission Service Company Limited
    - EMCO Infrastructure Limited

  II. **Foreign :**

    - EMCO Overseas Pte Limited (Singapore)
    - EMCO Global DMCC (Dubai)

B. **Step Down Subsidiaries :**

  I. **Indian :**

    - EMCO Transmission Networks Limited

  II. **Foreign :**

    - PT Setenco Investa Niaga (Indonesia)

C. **Joint Venture Companies through EMCO Power Limited (WOS):**

  - Shyam Emco Infrastructure Ltd
  - Kalinga Energy and Power Ltd.

As per the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements of each of the subsidiaries of the Company and Management Accounts of Emco Overseas PTE Ltd. are displayed on the website of the Company. The Audited Financial Statements of the subsidiary companies for the Financial Year 2017-18 will be available for inspection by any Member of the Company. If any Member of the Company so desires, the Audited Financial Statements of the subsidiaries to him/her on request. The physical copy of the said documents will also be available at the Company's registered office for inspection, during normal business hours on all working days, excluding Saturday.

Consolidated Accounts:

The performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies are detailed in Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures in form AOC- I which is prepared pursuant to Section 129 of the Companies Act, 2013 and annexed herewith as "**Annexure- A**".

Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Shailesh S. Jain (DIN: 00005829), Non-Executive Director of the Company, being longest in the office, shall retire by rotation at the ensuing 53rd Annual General Meeting (**AGM**) and being eligible, offer himself for re-appointment.

Your Directors recommend the re-appointment of Director as mentioned above.

Mr. S. V. Deo (DIN: 00210554), Mr. Bherulal Choudhary (DIN: 00011905) and Mr. Sanjay Bhatnagar (DIN: 00867848), Independent Directors of the Company completed their first term of appointment and they were appointed as Independent Directors of the Company for their second term for a period of five years by members of the Company by passing special resolution for each of them at the 50th Annual General Meeting held on 25th September, 2015.

The tenure of Mr. Rajesh S. Jain (DIN: 00005829), Whole Time Director (WTD) has expired on 19th October, 2017 and members of the company approved the re-appointment of Mr. Rajesh S. Jain (DIN:00005829) Whole Time Director (WTD) for the period of 3 years w.e.f 20th October, 2017 at 52nd Annual General Meeting of the Company.

Similarly, the appointment of Mrs. Archana Capoor (DIN: 01204170) was regularized as Independent Director for first term of five years at the 52nd Annual General Meeting held on 25th September, 2017

During the year under review, Mr. Amit Sudhakar, Chief Financial Officer of the Company resigned on 29th September, 2017. The board placed on record its appreciation for valuable contribution and support extended by Mr. Amit Sudhakar during his tenure as Chief Financial Officer of the Company and members of various committees'

Mr. Ganesh Tawari, Company Secretary has also given the additional charge of CFO with effect from 20th March, 2018

Brief profile of the Directors proposed to be appointed/re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), are provided in the Notice of 53rd AGM of the Company.

None of the Directors of your Company is disqualified under the provisions of Section 164 (2) of the Companies Act, 2013.

Declaration by Independent Directors

The Company has received declaration of Independence from Independent Directors under Section 149(7) of the Companies Act, 2013 (the Act), that he/she meets the criteria of Independence laid down in Section 149(6) of the Act, and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future

During the financial year under review, there were no such order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Disclosure of Internal Financial Control:

The Board has adopted and implemented the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Internal Controls are tested for adequacy, efficiency and effectiveness through audit by Internal Auditors and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the Financial Year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such control.

Number and dates of meetings of the Board and attendance of the directors:

During the year under review, 6 (Six) Board Meetings were held as per details given in the Report of Corporate Governance. A Notice of Meetings of the Board of Directors and Committee thereof is circulated well in advance along with the agenda giving detailed explanations, to enable the Board and Committee to take an informed decision. Details of other committees are given in Corporate Governance Report.

Establishment of Vigil Mechanism:

The Company has established and adopted Vigil Mechanism and the policy thereof for directors and employees of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, no personnel of the Company approached the Audit Committee on any issue falling under the said policy.

The vigil mechanism policy is available on the website of the company at link: http://www.emco.co.in/pdf/policy/Vigil%20 Mechanism%20Policy.pdf

Particulars of remuneration to Directors and Employees

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of remuneration to the Directors and Employees of the Company and the details of the ratio of remuneration of each Director to the median employee's remuneration are annexed with the report as "**Annexure- B".**

Management Discussion and Analysis:

The Management Discussion and Analysis forms part of the Directors' Report is annexed herewith as "**Annexure- C**".

AUDITORS

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors) Rules, 2014, M/s. Chaturvedi & Shah (FRN: 101720W), Chartered Accountants, Statutory Auditors of the Company were appointed for their second term for a period of 5 (five) years at the 50th Annual General Meeting (AGM) held on 25th September, 2015.

The appointment of M/s. Chaturvedi & Shah (FRN: 101720W) as Statutory Auditors of the Company shall be required to be ratified by the members at the ensuing 53rd Annual General Meeting. The Company has received written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and if their appointment is ratified, their appointment would be within the limits prescribed under Section 139 of the Act. Your Directors recommend the ratification of appointment of M/s. Chaturvedi & Shah as Statutory Auditors of the Company.

Members are informed that as per the amended Provision of Section 131 (1) of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, there is no requirement of ratification for appointment of Statutory Auditor at every Annual General Meetings. Thus, your Director's recommend the ratification of appointment of M/s. Chaturvedi & Shah, Chartered Accountants as a statutory auditors of the Company till 55th Annual General Meeting

b) Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. MMJC & Associates LLP, Practicing Company Secretaries, Mumbai were appointed as Secretarial Auditors of the Company to conduct Secretarial Audit for Financial Year 2017-18.

The Report on Secretarial Audit for the Financial Year 2017-18, issued by M/s. MMJC & Associates LLP, in form of MR-3, forms an integral part of this Board's Report annexed herewith and marked as "**Annexure- D".**

In terms of Section 204 of the Act, on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. MMJC & Associates LLP, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct Secretarial audit for Financial Year 2018-19.

The Company has received consent letter and confirmation certificate from M/s. MMJC & Associates LLP to the effect that their appointment as Secretarial Auditors of the Company, if made, would be in accordance with the limit specified under the provisions of the ICSI Guidance Note on Secretarial Audit and they are not disqualified to act as Secretarial Auditors of the Company.

Explanations by the Board on qualifications made by the Auditors:

The delay of 5 days in filing of Form – FLA was inadvertent on the part of the Company.

c) Cost Auditors

The Company is required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 in respect of certain activities undertaken by the Company as such the prescribed cost records have been maintained.

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 (the Act) read with the Companies (Cost Records and Audit) Amendments Rules, 2014 (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company on recommendation of Audit Committee have appointed M/s. Kishore Bhatia & Associates (FRN: 00294), Cost Accountants, as Cost Auditors of the Company for the financial year 2018-19, to audit the cost records maintained by the Company for its Steel, Electricity and transformers products, at a remuneration of Rs. 1,75,000/- per annum plus applicable tax and reimbursement of out of pocket expense that may be incurred. Your Directors recommend to the members of the Company a resolution for ratification of remuneration payable to the Cost Auditors for the Financial Year ended on 31st March, 2019 is included in the Notice of the ensuing 53rd Annual General Meeting.

The Company has received confirmation certificate from them to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and rules made there under and they are not disqualified to act as Cost Auditors of the Company.

Certificate in this regard is obtained from Cost Auditors for the financial year ended 31st March, 2018.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made there under (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company on recommendation of Audit Committee have appointed M/s. R R Kabra & Birla (FRN: 126333W), Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2018-19, to conduct Internal Audit of the Company.

The Company has received consent letter and confirmation certificate from them to the effect that their appointment as Internal Auditors of the Company, if made, would be in accordance with the provisions under the Companies Act, 2013 and rules made there under and they are not disqualified to act as Internal Auditors of the Company.

Extract of Annual Return:

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the details of an extract of Annual Return in Form MGT-9 is annexed herewith as "**Annexure- E**" to the Board's report.

Directors' Responsibility Statement:

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed:

a) that in the preparation of the annual accounts for the financial year ended on 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 31st March, 2018 and of the loss of the Company for the year ended on that date;

c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors had prepared the annual accounts for the financial year ended on 31st March, 2018 on a 'going concern' basis;

e) that the Directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Details in respect of fraud reported by Auditors

Pursuant to Section 143(12) of the Companies Act, 2013 there were no frauds reported by the Auditors of the Company during the year under review, to the Audit Committee or the Board of Directors, as such there is nothing to report under Section 134(3)(ca) of the Companies Act, 2013.

Policy on directors' appointment and remuneration

Pursuant to Section 178(3) of the Companies Act, 2013, the policy for selection and appointment of directors and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted by the Board of the Company and forms part of Corporate Governance Report.

Particulars of loans, guarantees or investments:

Your company is engaged in providing infrastructure facilities and therefore the provisions of Section 186 of the Companies Act, 2013, related to loan made, guarantee given or security provided is exempted and not applicable to the Company. Whereas investment made during the year has been disclosed in notes to Financial Statements.

Particulars of material contracts or arrangements with related parties:

There were no new material contract or arrangements entered into by the Company with related parties referred to in Sub Section (1) of the Section 188 of the Companies Act, 2013 during the financial year 2017-18. Hence, the particulars of related parties contract or arrangement in form AOC-2 is not applicable.

In accordance with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transactions Policy and the same is uploaded on the website of the Company at link http://www.emco.co.in/pdf/policy/RelatedPartyPolicy.pdf

Report on Corporate Governance:

As required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance and a certificate confirming compliance with the requirements of Corporate Governance forms part of this Annual Report.

Training to Independent Directors:

The details of Familiarization Programme are provided in the Corporate Governance report. Further at the time of appointment of an Independent Director, a formal letter of appointment outlining his / her role, responsibility, functions and duties were given to the Independent Directors.

Material changes and commitments affecting financial position between the end of the financial year and date of report:

There are no material changes and commitments affecting financial position between the end of the financial year and date of report.

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

The particulars as prescribed under sub-section 3(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are enclosed as "**Annexure- F"** to this report.

Risk Management Policy:

The Company has formulated a Risk Management Policy, which reflects the overall risk management philosophy, the Company's overall approach to risk management and the roles and responsibilities for risk management.

The Company is mainly engaged in Transformers and Engineering, Procurement and Construction (EPC) of Transmission line and sub-station projects. The Company continuously identifies and mitigates the risks through a robust risk identification and management system.

Details of some of the risks involved in the business are discussed below:

1) **Commodity Risk:**

   The Company deals with various commodities, such as steel, zinc, copper and aluminium. Fixed price contracts can have a negative impact if input costs rise, if it is not appropriately hedged in time. By adding price escalation clause in most of the contracts, the Company passes off such negative impacts to its client, partially or completely.

2) **Currency Risk:**

   The Company is exposed to the risk of currency fluctuations, if any exposure remains open. The Company believes in keeping its currency exposures hedged. It measures and manages these risks centrally and carries out periodic reviews of these risks; whenever required external experts are also consulted.

3) **Execution Risk:**

   Execution delay may results in cost overruns and may also negatively impact company's reputation. EPC projects could face delays due to external factors like Right of Way issues, manpower shortages, etc. The Company deploys a well defined standard operating procedure (SOP) – from project planning to completion. It keeps a close watch and reviews these risks periodically and take timely corrections measures.

Corporate Social Responsibility (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, detailed Information as required is annexed herewith as "**Annexure- G"** forming part of this report.

Report on Prevention of Sexual Harassment of Women:

Your Company strongly believes in zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company designed and implemented 'Policy for prevention of Sexual Harassment' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition &

Redressal) Act, 2013 ('the said Act') and rules made thereunder. As per Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee to deal with the complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

Pursuant to the provisions of Section 21 and 22 of the said Act, the detailed report on cases filed & their disposal under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for the period ended December, 2017 was submitted by Presiding Officer of the Internal Complaints Committee to; the District Women and Child Development Officer (Thane Collectorate) and Chairman of the Company within time limit prescribed under the said Act. The committee has not received any complaints during the year under review.

Evaluation of Directors, Committee and Board:

Pursuant to the provisions of Section 178 of Companies Act, 2013 read with Schedule IV of the Act and Regulation 17 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Report of Corporate Governance.

Employees Stock Option Scheme (ESOS)

Human Resource is an essential resource for the growth of the Company and man power is the strength for achieving vision of the Company. Based on this view, your Company has framed following Employee Stock Option Schemes for the financial growth of employees of the Company:

1) Employee Stock Option Scheme, 2011

2) Employee Stock Option Scheme, 2015

During the year under review, the Company had granted 18,25,000 Options to its employees as decided by the Management of the Company under Employee Stock Option Scheme, 2015. The Company has also allotted 66,666 Equity Shares on 16th November 2017 and 66,666 Equity Shares on 29th January, 2018 to its eligible employees, who has exercised their rights under the Employees Stock Option Scheme, 2011.

Employee Stock Option Scheme 2011 and 2015 are both in operation.

Pursuant to Regulation 14 read with SEBI circular dated 16th June, 2015 the details of the shares issued under Employee Stock Option Schemes of the Company are uploaded on the website of the Company i.e. http://www.emco.co.in/pdf/AR-2017-ESOS-Statement.pdf

Insurance:

All the assets of the Company are adequately insured.

Acknowledgment:

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 EMCOites 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

Sd/-
Rajesh S. Jain
Chairman
(**DIN: 00005829**)

ANNEXURE- A
Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

Name of the subsidiary	Emco Renewable Energy Limited	Shekhawati Transmission Services Company Limited	Emco Power Limited	Emco Infrastructure Limited	Emco Transmission Network Limited (Subsidiary of Emco Infrastructure Limited)	EMCO Overseas Pte. Limited (Refer Note 4)	EMCO Global DMCC	PT Setenco Investa Niaga (Subsidiary of Emco Overseas Pte Limited)
1. Reporting period	31-Mar-2018	31-Mar-2018	31-Mar-2018	31-Mar-2018	31-Mar-2018	31-Mar-2018	31-Mar-2018	31-Dec-2017*
2. Reporting currency	INR	INR	INR	INR	INR	USD	USD	IDR
3. Share capital	5.00	48.86	798.02	5.00	5.00	0.00	0.27	10,000.00
4. Reserves & surplus	0.38	1,316.15	-261.22	-3.70	-5.99	-166.99	-6.16	-51,531.86
5. Total assets	5.51	1,694.43	2,273.32	10.02	0.09	187.04	0.69	1,062,336.98
6. Total Liabilities	0.13	329.42	1,736.52	8.72	1.09	354.03	6.58	1,103,868.84
7. Investments	0.01	0.45	19.50	3.76	-	2.22	-	1,058,990.52
8. Turnover	-	0.04	-	-	-	47.62	31.31	638,464.52
9. Profit / (Loss) before taxation	0.04	8.52	-0.55	-1.06	-0.33	-15.09	-3.43	604,199.40
10. Provision for taxation	0.01	-	-	-	-	0.03	-	-
11. Profit / (Loss) after Taxation	0.03	8.52	-0.55	-1.06	-0.33	-15.12	-3.43	604,199.40
12. Proposed Dividend	-	-	-	-	-	-	-	81,617.68
13. % of shareholding	100%	100%	100%	100%	75.12%	100%	100%	98.80%

* Subsidiary have reporting accounting year ending 31st December. However, for the purpose of consolidation and for the purpose of giving above information, the accounts for the year ended 31st March are prepared, the accounts for the reporting accounting year ended 31st December are audited and the three months period ended 31st March are reviewed by the auditor of subsidiary.

Notes:

1. Names of subsidiaries which are yet to commence operations
   a. Emco Renewable Energy Limited
   b. Shekhawati Transmission Services Company Limited
   c. Emco Power Limited
   d. Emco Infrastructure Limited
   e. Emco Transmission Network Limited (Formally known as East West Power Generation Company Limited)
2. There were no subsidiaries liquidated or sold during the year
3. Exchange rates used in case of foreign subsidiaries are given below as on 31.03.2018
   USD : 65.04
   IDR : 13756
4. Financial Information is based on Unaudited Financials (management represented financials)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint

Name of Associates/Joint Ventures	Kalinga Energy & Power Limited	Shyam Emco Infrastructure Limited	P T Bina Insan Suskes Mandiri	PT Vardhaman Logistic	PT Vardhaman Mining Services	Rabaan (S) Pte.Ltd. (refer note 3)
1. Latest audited Balance Sheet Date	31-Mar-2018	31-Mar-2018	31-Dec-2017*	31-Dec-2017*	31-Dec-2017*	31-Mar-2018
2. Shares of Associate/Joint Ventures held by the company on the year end						
No.	125,000	70,000	2,242	105,000	373,500	9,337
Amount of Investment in Associates/ Joint Venture	12.50	7.00	5,004.08	71.57	-	4.50
Extend of Holding %	50%	50%	37.37%	22.50%	37.35%	37.35%
3. Description of how there is significant influence	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%
4. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-36.81	5.10	1,114.01	59.82	-211.39	-
6. Profit /(Loss) for the year to Shareholding	-0.03	-0.07	3,556.45	1.43	-16.26	-2.11
i. Considered in Consolidation	-	-0.07	3,556.45	1.43	-	-
ii. Not Considered in Consolidation	-0.03	-	-	-	-16.26	-2.11

* Joint Ventures have reporting accounting year ending 31st December. However, for the purpose of consolidation and for the purpose of giving above information, the accounts for the year ended 31st March are prepared, the accounts for the reporting accounting year ended 31st December are audited and the three months period ended 31st March are reviewed by the respective auditors of Joint Ventures.

1. Names of associates or joint ventures which are yet to commence operations.
   a. Kalinga Energy & Power Limited
   b. Shyam Emco Infrastructure Limited
   c. PT Vardhaman Logistic
   d. PT Vardhaman Mining Services
2. There were no associates or joint ventures liquidated or sold during the year
3. Financial Information is based on Unaudited Financials (management represented financials)

For and on behalf of Board

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Company Secretary & Chief Financial Officer
ICSI.M. No.A12896

ANNEXURE- B

REMUNERATION DETAILS

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:**

   During the year under review, none of the Directors was paid remuneration in any form other than sitting fees paid to Non Executive Directors, including Independent Directors; hence this ratio cannot be derived.

2. **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2017-18:**

Sr. No.	Particulars	% Increase
1.	Mr. Shailesh Jain- Non Executive Director Mr. Sanajay Bhatanagr- Independent Director Mr. Bherulal Choudhary- Independent Director Mr. Shyamsunder Deo- Independent Director Mrs. Archana Capoor- Independent Director	Not applicable as none of the Directors was paid any remuneration except sitting fees
2.	Mr. Rajesh S Jain- Whole Time Director	No Remuneration has been paid during the Year
3.	Mr. Ganesh Tawari, Company Secretary	17.17%

3. **Percentage increase in the median remuneration of employees in the financial year 2017-18: 4.03%**

4. **The number of permanent employees on the rolls of the Company: 441 as on March 31, 2018**

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Sr. No.	Particulars	% Increase
1.	Average percentile increase in the salary of employees other than managerial personnel	The increase in the salary of employees, if any, other than managerial personnel is based on various parameters determined as per the Human Resource policy. Also the number of employees has changed as compared to the Financial Year 2017-18.
2.	Average percentile increase in the salary of the managerial personnel	0.51

6. **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management Personnel.**

II. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. No employees who were employed throughout the financial year, and were in receipt of remuneration for not less than Rs. 1.02 Crore p.a.
2. No employees who were employed for a part of the financial year and were in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8.50 lakh per month:
3. No other employees who were employed throughout the financial year or part thereof and were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

On behalf of the Board of Directors
For EMCO LIMITED

Sd/-
Rajesh S. Jain
Chairman
(**DIN: 00005829**)

ANNEXURE-C

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Power Sector in India

The Government of India has released its roadmap to achieve 175 GW Capacity in Renewable Energy by 2022, which includes 100 GW of Solar Power and 60 GW of Wind Power.

Coal-based power generation capacity in India, which has currently reached a level of 192 GW is expected to expand to 330-441 GW by the year 2040.

The immediate goal of the Government is to generate two trillion units (kilowatt hours) of energy by the year 2019. This will propel the current production capacity to almost double to provide 24x7 electricity for residential, industrial, commercial and agricultural use.

Power transmission sector in India plays a pivotal role in supplying electricity to the end consumers. It is imperative to note that the growth of the power sector is dependent on the development of a robust transmission infrastructure.

Developing dedicated green energy corridors and further enhancement of transformation capacity of existing sub-stations, along with setting up of new sub-stations will primarily drive the opportunity in the power sector in near future. However, margin pressure due to build-up of overcapacity will continue to drag down profitability.

Further, the Government plans to invest USD 2.15 Billion till December 2018 for supplying electricity to approximately 4 Crore of the rural households under "**Saubhagya Scheme**". This might demand more inter-regional power transmission transactions and capacity enhancement of intra-regional power evacuation infrastructure. India's peak load demand of power is only 164 GW of the achieved installed capacity and aggravating this situation further, some of India's power surplus regions do not have adequate power evacuation infrastructure which could alleviate the recurring supply shortages in other parts of the nation.

The Government of India has an ambitious plan of 100% electrification of the rail network by 2020. Currently, only 42% of the total rail-track network is electrified. The pace of electrification has been increased from the present average of 1700 route kilometer per annum to 4000 route kilometers in 2017-18.

Transformer Business

The Transformer business in India are continue to witness huge margin pressure due to low demand and excess capacity in the Industry which remains under utilised. A low rate of industrial growth, a poor financial status of the utilities along with general economic slowdown has contributed to the transformer demand remaining subdued in the country.

Your company has proactively aligned its strategy according to the prevailing market conditions and it will continue to focus on exports, few large central utilities and selective state utilities, which have access to capital. Your company has successfully commissioned 15 numbers of 500 MVA, 400 kV class transformers for PGCIL. All the transformers are functioning smoothly at installed locations in the Northern and Southern part of India. Your company has also contributed positively and helped to add power generation capacity of 1320 MW to our Nation by supplying 260 MVA, 420 kV, Single Phase Generator Transformers to NTPC for its Solapur & Mouda power generation projects.

Your company has a Healthy Order Book position and visibility of revenue improvement for the FY 2018-19. Even the Export Orders with better margins and cash flow expectations are almost 40% of the current Order Book position. Your company's plants & facilities are regularly audited & approved by internationally renowned technical consultants/customers and their regular feedback that we are at par with the best manufacturers in the world gives us a lot of pride and it motivates us to keep working harder to create more satisfied customers.

Project Business

Your company has successfully commissioned a section of 765KV Double Circuit **Orai - Aligarh Transmission Line**, in addition to successfully commissioning a section of 765 KV Double Circuit **Hyderabad - Wardha Transmission Line** for PGCIL. Your company is currently executing a prestigious order received from PGCIL for 800KVHVDC **Raigarh-Pugalur Transmission Line.**

Your company has also successfully undertaken a number of 400 kV sub-station up-gradation work as a part of strengthening the Northern and the Southern Regional Grid System.

The company management is also pleased to inform that your company has commenced execution of first open-air GIS sub-station at Phusauli (Bihar) for Indian Railways under a PGCIL contract.

Construction of three Greenfield sub-stations in Africa, which have been funded by the World Bank is under full-fledge implementation and these sub-stations are expected to be commissioned shortly. The Safety and Environment Conservation practices followed at a site by the company have been very well recognised and acknowledged by the World Bank.

International Business

International Business offers single point access to all its customers worldwide supplying Products and Solutions that meet various International Standards like IEC and ANSI.

Your Company has exported its **products and solutions** to more than 50 countries in the Middle East, Africa, Latin America and the Asia Pacific region due to consistently achieving International Quality Standards. Among impressive international clientele are Power Utilities, Oil and Gas companies, Mining companies and EPC companies. This has enabled your company to underline truly global presence.

Maintaining a healthy order book position and cashing on excellent references across the globe, your company is confident of increasing the share of international business to about 40% from the current level in the next few years. This itself will drive the growth substantially. A healthy mix of regions and developing customers across all product segments without excessive dependence on any specific product or market will generate balanced growth of company's business.

Coal Mine-Indonesia

During the year under review, your company's Coal Mine in Indonesia sold close to 2.30 Million tons of coal and now the company is taking steps for targeting a sale of 3 million tons of coal in the next financial year. Market intelligence reports reveal that there is a good demand for your company's coal. Our Indonesian counterpart has already initiated steps for enhancement of the coal mine output further in the next few years.

Renewable Energy

The performance of power generation from 5 MW Solar PV Plant was satisfactory during the current year and the trend of improvement is expected to continue during the next financial year also. This initiative of your company in a small way reduces carbon emissions thereby contributing to the 'Green Cause'.

Opportunities and Threats

Your company foresees a market full of opportunity for its businesses in the forthcoming years. Your company has strategically poised to take advantage of the opportunity of growth anticipated in the Indian Railways business. With supplies to more than 50 countries, your company is also exploring opportunities to escalate its projects business internationally.

Open and Transparent process of selecting/empaneling the Contractors for carrying out EPC works related to Tariff Based Competitive Bidding by Central Utility (PGCIL) in the Transmission Line business within India and opening doors for Indian companies to do work under the line of Credits provided by the Exim Bank to foreign countries are the major factors which are helping your company to increase its presence in the domestic and overseas market.

Internal Control System

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

The CEO/CFO Certification is provided in the report to discuss the adequacy of our Internal Control Systems and Procedures.

In accordance with provisions of Companies Act, 2013 and Securities Exchanges and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') the Audit Committee has evaluated the Internal Financial Controls of the Company. The Management of your Company has determined that the Company's internal financial control as of 31st March, 2018 were efficient and effective.

The Company has successfully implemented a novel mechanism to inform Members of Board of Directors of the Company, about identification, assessment, control and mitigation of risk in the businesses of the Company at periodic intervals. The Company has an independent Internal Auditor for auditing the transactions of the Company to ensure that recording and reporting is meeting statutory compliance. The Internal Auditors evaluates the adequacy of internal control to ensure that internal controls, check and balances in the system are adequate, proper and up-to-date as per prevailing standards. Remedial measures are suggested by them to mitigate the risks identified during the auditing procedures and rectification plans ensure implementation of strategy to mitigate such risks.

Risk and Concerns

The Company is thoughtfully concerned about overcapacity in the transformer industry and liquidity issues caused due to cash flow getting affected by overdue receivables.

The other risks your company faces is increase in project cost due to delay in customers getting Right of Way (ROW) permission while executing transmission line projects. Other risks such as safety of Emcoites and contractors working at heights during construction work of transmission lines, risk of commodity prices fluctuation, foreign currency fluctuation risk etc.

The Risk Management Committee reviews various risks faced by your company periodically and it has put in place robust check and balance mechanism to mitigate these risks.

Outlook

Considering the campaign of 'Make in India' and other initiatives of the Government of India like focusing on generating power from renewable energy, which might boost up growth in power sector and industrial activity in general, the prospects for your company's products and services look very positive. In addition to the domestic market, your Company has taken a number of steps to increase its global reach which will further bring in more business opportunities for your company. While we remain very optimistic about the overall business environment, we are also internally adjusting our costs to a new world of continuous pricing pressure.

Financial performance with respect to operational performance

The financial performance of your company vis a vis previous financial year has been poor on account of shortage of working capital, leading to lower capacity utilization in the transformer business thus, resulting in lower sales and contribution.

Further financial performance of your company's project business was also affected due to a shortage of working capital and delayed tendering of some large transmission line tenders from key customers which resulted in lower sales.

Human Resource

To live your company's vision of being a 'Great Place to Work', your company's management aspires to steadily develop, implement and support programs and processes that add value to your company's business and Emcoites at all levels of operations. The focus of HRM is not only to improve Emcoite's welfare, empowerment, growth,and retention, while they stay committed to growing your company, but also improvement in productivity, skill sets and knowledge up-gradation. The management of your company promotes a work environment that is characterized by fair and equal treatment for all Emcoites; encourages open communications; understanding personal accountability; Inculcating trust and mutual respect.

Environment and Safety:

Your company's management is continuously ensuring to provide a safe place to work for Emcoites and it is also environmentally conscious to move towards taking Green Initiatives. It has taken a number of such initiates in the current year as well.

The company has received ISO 9001: 2015 / ISO 14001: 2015 and OHSAS 18001: 2007 Standard for a Quality, Safety, and Environment for its Project Business.

Your company celebrated **47th National Safety Week** across all its location, which included Electrical safety awareness programmes, practical demos on fall arresters for work at height, safety competitions for motivating employees etc. Your company also organised health camps, PPE exhibitions;conducted mock-drills for making EMCOites aware about safety and also for promoting a safe environment at work.

Your company celebrated **World Environment day** at its various location on 5th June. The objective of this celebration is to educate and encourage Emcoites to participate in the initiative **Go Green - planting trees/saplings**. An environment awareness session, and an exhibition for the eco-friendly product for creating green strategy approach across the organisation was organised to demonstrate the company's commitment to protect the environment and to encourage the involvement of employees in such drives. Training on eco-friendly products entitled "Saffron Thinking and Green Living - A Way to sustainable development is also imparted to the workers and employees.

A training programme for Emcoites was conducted to explain their roles and responsibilities under various provisions of the Factories Act, 1948.

Health camps have been regularly conducted by your company to educate Emcoites and contractors on health and safety issuesat all project sites.

CSR – Initiatives towards Corporate Social Responsibility:

Your Company has taken various initiatives towards the Corporate Social Responsibility through its extended arm EMCO Foundation. EMCO Foundation (EF) has been established to promote sustainability and welfare of humanity with a vision "To transform lives through sustainable development involving stakeholders." Since inception EF has transformed more than 88,723 human lives through resourceful initiatives in Education (Akshar), Environment (Ankur and Roshni) and Healthcare (Jeevan).

Best Corporate Foundation Award has been conferred upon your company for outstanding contribution to Social Causes and CSR Efforts at theWorld CSR Day 2017.

The joy of Giving (**DaanUtsav**):

Like every year this year too, your company organised a collection drive, where Emcoites donated Clothes, Books, Toys etc. Total donated items collected this year occupied 14 large bags and till now the generosity of Emcoites has reached to more than 22,000 needy people.

Forward-Looking Statements

Certain statements in the **Discussion and Analysis Report of Management** describing the company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable Securities Laws and Regulations. Forward-looking statements in this report are based on certain assumptions and expectations about future events.

The company cannot guarantee that those assumptions and expectations will turn out to be accurate or will be realized practically. It is likely that actual results could deviate from those expressed or implied according to expectations of the management of your company. 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
(DIN:00005829)

ANNEXURE- D

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

EMCO Limited
N-104, MIDC Area,
Jalgaon - 425003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Emco Limited** (hereinafter called the "**Company"**) Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Emco Limited** (the "**Company"**) for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA'**) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowing. (**Foreign Direct Investment not applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the audit period)**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the audit period)** and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the audit period)**

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India

   (ii) Listing Agreement entered with Stock exchange

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the law applicable specifically to the Company i.e. The Electricity Act, 2003 and Rules made there under.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has made delay in filling of FLA Return with RBI.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Company has allotted 1,33,332 Equity Shares having Face Value of 2/- with premium of Rs. 14 each aggregating to 2,66,664/- under Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
2. The Company has Increased its Authorised share capital from existing Rs. 20 Crores (Equity - 7.50 Crores of Rs. 2 each and Cumulative Redeemable Preference shares- 5 Lacs of Rs. 100 each to Rs. 75 Crores (Equity- 35 Crores and Preference- 5 Lacs) by creating Rs. 27.50 Crores of Rs. 2 each and accordingly capital clause of Memorandum altered by passing Ordinary resolution in Extra Ordinary General Meeting dated 01st August, 2017.
3. The Company has passed Special resolution in Extra Ordinary General Meeting dated 01st August, 2017 for Fund raising by way of Issue of Securities up to Rs. 225 Crore and for availing loan with an option to Convert into equity shares of the Company up to Rs. 375 Crore.

For MMJC & Associates LLP

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968

Place: Mumbai
Date: 30.05.2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members,

EMCO Limited
N-104, MIDC Area,
Jalgaon – 425003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJC & Associates LLP

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968

Place: Mumbai
Date: 30.05.2018

ANNEXURE - E

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L31102MH1964PLC013011
2	Registration Date	19/09/1964
3	Name of the Company	EMCO LIMITED
4	Category	COMPANY LIMITED BY SHARES
5	Sub-category of the Company	INDIAN NON-GOVERNMENT COMPANY
6	Address of the Registered office & contact details	N-104, MIDC Area, Mehrun, Jalgaon 425003, Maharashtra Tel.:+91 257 2272462
7	Whether listed company	Yes
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C- 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai- 400 083 Tel No. 022 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Transformers	271	24.90
2	Transmission Line and sub-station	422	73.31

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**EMCO Power Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U40101MH2008PLC182215	Direct Subsidiary	100	2 (87)
2	**Shekhawati Transmission Service Company Limited** 220 Kv.GSS, Beri Bhajangarh, Nawalgarh Road, Opp. Gorband Hotel, Kudan Sikar Rajasthan 332031	U40109RJ2009SGC029173	Direct Subsidiary	100	2 (87)
3	**EMCO Renewable Energy Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U45204MH2009PLC197716	Direct Subsidiary	100	2 (87)
4	**EMCO Infrastructure Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604	U45400MH2008PLC182187	Direct Subsidiary	100	2 (87)
5	**EMCO Transmission Networks Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U40108MH2008PLC182186	Indirect Subsidiary	75.12	2 (87)

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6	**EMCO Overseas Pte. Ltd** 80, Refiles place, #25-01, UOB plaza, Singapore (048624)	Foreign Company	Direct Subsidiary	100	2 (87)
7	**PT Sentnco Investa Niaga** Menara Prima Lantai 26 Unit A, ji Lingkar mega Kaningan, Jakarata 12950, Indonesia	Foreign Company	Indirect Subsidiary	98.80	2 (87)
8	**EMCO Global DMCC** Unit No: 2H-08-58 Jewellery & Gemplex 2, Plot No: DMCC-PH2-J & Gplexs Jewellery & Gemplex DUBAI United Arab Emirates	Foreign Company	Direct Subsidiary	100	2 (87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	22,365,140	-	22,365,140	33.00%	22,365,140	-	22,365,140	32.93%	-0.06%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	8,355,858	-	8,355,858	12.33%	8,355,858	-	8,355,858	12.30%	-0.02%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	30,720,998	-	30,720,998	45.33%	30,720,998	-	30,720,998	45.24%	-0.09%
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	30,720,998	-	30,720,998	45.33%	30,720,998	-	30,720,998	45.24%	-0.09%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,130,854	2,000	1,132,854	1.67%	-	-	-	0.00%	-1.67%
b) Banks / FI	102,312	-	102,312	0.15%	-	-	-	0.00%	-0.15%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	383,602	-	383,602	0.57%	383,602	-	383,602	0.56%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Foreign Portfolio Investors	50,000	4,500	54,500	0.08%	70,000	-	70,000	0.10%	0.02%
Sub-total (B)(1):-	1,666,768	6,500	1,673,268	2.47%	453,602	-	453,602	0.67%	-1.80%

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	-	-	-	0.00%	64,497	-	64,497	0.09%	0.09%
Sub-total (B)(2):-		-	-	-	0.00%	64,497	-	64,497	0.09%	0.09%
3.	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian			-	0.00%			-	0.00%	0.00%
ii)	Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	16,070,980	225,967	16,296,947	24.05%	21322652	165907	21,488,559	31.64%	7.60%
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,507,174	-	5,507,174	8.13%	5314072	0	5,314,072	7.83%	-0.30%
c)	Others (specify)									
	Non Resident Indians	647,530	-	647,530	0.96%	571998	0	571,998	0.84%	-0.11%
	Others Director	62,975	-	62,975	0.09%	4,951	-	4,951	0.01%	-0.09%
	Bodies Corporate	10134814	2675	10,137,489	14.96%	4658101	2,200	4,660,301	6.86%	-8.09%
	Clearing Members	941,414	-	941,414	1.39%	2166583	0	2,166,583	3.19%	1.80%
	Trusts	450	-	450	0.00%	1450	-	1,450	0.00%	0.00%
	HUF	1,787,633	5	1,787,638	2.64%	2462199	5	2,462,204	3.63%	0.99%
	Sub-total (B)(3):-	35,152,970	228,647	35,381,617	52.20%	36,502,006	168,112	36,670,118	54.00%	1.79%
	Total Public (B)	36,819,738	235,147	37,054,885	54.67%	37,020,105	168,112	37,188,217	54.76%	0.09%
C.	**Shares held by Custodian for GDRs & ADRs**			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)		67,540,736	235,147	67,775,883	100.00%	67,741,103	168,112	67,909,215	100.00%	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajesh Jain	9,599,345	14.16%	-	9,599,345	14.14%	-	0.00%
2	Shailesh Jain	6,299,340	9.29%	-	6,299,340	9.28%	-	0.00%
3	Ratna Jain	4,354,255	6.42%	-	4,354,255	6.41%	-	0.00%
4	Triptee Jain	1,362,200	2.01%	-	1,362,200	2.01%	-	0.00%
5	Yachana Jain	750,000	1.11%	-	750,000	1.10%		0.00%
6	Zarco Realties Private Limited (Formerly Known as EMCO Investments Private Limited)	8,355,858	12.33%	-	8,355,858	12.30%	-	0.00%

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

1	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
No Changes During the year							

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name	SAMEER SHANTILAL MUTTHA					
	At the beginning of the year	4/1/2017		900,240	1.33%	900,240	1.33%
	No Changes During the year						
	At the end of the year	3/31/2018				900,240	1.33%
2	Name	FARIDA ASIF PETIWALA					
	At the beginning of the year	4/1/2017		802,933	1.18%	802,933	1.18%
	No Changes During the year						
	At the end of the year	3/31/2018				802,933	1.18%
3	Name	SHILPA STOCK BROKER PVT. LTD.					
	At the beginning of the year	4/1/2017		38,749	0.06%	38,749	0.06%
	Changes during the year	4/7/2017	Purchase	16,300	0.02%	55,049	0.08%
	Changes during the year	4/14/2017	Sale	(500)	0.00%	54,549	0.08%
	Changes during the year	4/21/2017	Purchase	23,227	0.03%	77,776	0.11%
	Changes during the year	4/28/2017	Purchase	7,326	0.01%	85,102	0.13%
	Changes during the year	5/5/2017	Sale	(18,599)	-0.03%	66,503	0.10%
	Changes during the year	5/19/2017	Purchase	450	0.00%	66,953	0.10%
	Changes during the year	5/26/2017	Sale	(9,376)	-0.01%	57,577	0.08%
	Changes during the year	6/2/2017	Sale	(6,000)	-0.01%	51,577	0.08%
	Changes during the year	6/9/2017	Sale	(150)	0.00%	51,427	0.08%
	Changes during the year	6/23/2017	Sale	(5,200)	-0.01%	46,227	0.07%
	Changes during the year	6/30/2017	Sale	(3,000)	0.00%	43,227	0.06%
	Changes during the year	7/7/2017	Sale	(21,900)	-0.03%	21,327	0.03%
	Changes during the year	7/14/2017	Sale	(5,960)	-0.01%	15,367	0.02%
	Changes during the year	7/21/2017	Sale	(400)	0.00%	14,967	0.02%
	Changes during the year	8/4/2017	Purchase	1,133	0.00%	16,100	0.02%
	Changes during the year	8/18/2017	Purchase	250	0.00%	16,350	0.02%
	Changes during the year	8/25/2017	Sale	(400)	0.00%	15,950	0.02%
	Changes during the year	9/1/2017	Purchase	200	0.00%	16,150	0.02%
	Changes during the year	9/15/2017	Sale	(101)	0.00%	16,049	0.02%
	Changes during the year	10/6/2017	Sale	(100)	0.00%	15,949	0.02%
	Changes during the year	10/13/2017	Sale	(100)	0.00%	15,849	0.02%
	Changes during the year	10/20/2017	Sale	(2,250)	0.00%	13,599	0.02%
	Changes during the year	10/27/2017	Purchase	500	0.00%	14,099	0.02%
	Changes during the year	11/3/2017	Purchase	450	0.00%	14,549	0.02%
	Changes during the year	11/10/2017	Sale	(100)	0.00%	14,449	0.02%
	Changes during the year	11/17/2017	Purchase	7,598	0.01%	22,047	0.03%
	Changes during the year	11/24/2017	Purchase	2,543	0.00%	24,590	0.04%
	Changes during the year	12/1/2017	Sale	(1,743)	0.00%	22,847	0.03%
	Changes during the year	12/8/2017	Sale	(1,832)	0.00%	21,015	0.03%

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	12/15/2017	Sale	(250)	0.00%	20,765	0.03%
	Changes during the year	12/22/2017	Sale	(300)	0.00%	20,465	0.03%
	Changes during the year	12/29/2017	Purchase	51,388	0.08%	71,853	0.11%
	Changes during the year	1/5/2018	Sale	(4,138)	-0.01%	67,715	0.10%
	Changes during the year	1/12/2018	Purchase	65,116	0.10%	132,831	0.20%
	Changes during the year	1/19/2018	Purchase	320,632	0.47%	453,463	0.67%
	Changes during the year	1/26/2018	Sale	(78,131)	-0.12%	375,332	0.55%
	Changes during the year	2/2/2018	Sale	(88,817)	-0.13%	286,515	0.42%
	Changes during the year	2/9/2018	Sale	(236,549)	-0.35%	49,966	0.07%
	Changes during the year	2/16/2018	Sale	(49,529)	-0.07%	437	0.00%
	Changes during the year	3/31/2018	Purchase	618,282	0.91%	618,719	0.91%
	At the end of the year	3/31/2018				618,719	0.91%
4	Name	INDIANIVESH SECURITIES LIMITED					
	At the beginning of the year	4/1/2017			0.00%	11,510	0.02%
	Changes during the year	4/7/2017	Purchase	9,775	0.01%	21,285	0.03%
	Changes during the year	4/14/2017	Sale	(10,160)	-0.01%	11,125	0.02%
	Changes during the year	4/21/2017	Sale	(10,200)	-0.02%	925	0.00%
	Changes during the year	4/28/2017	Sale	(925)	0.00%	-	0.00%
	Changes during the year	5/5/2017	Purchase	1,242	0.00%	1,242	0.00%
	Changes during the year	5/12/2017	Purchase	34	0.00%	1,276	0.00%
	Changes during the year	5/19/2017	Purchase	2,150	0.00%	3,426	0.01%
	Changes during the year	5/26/2017	Sale	(2,943)	0.00%	483	0.00%
	Changes during the year	6/2/2017	Purchase	2,543	0.00%	3,026	0.00%
	Changes during the year	6/9/2017	Purchase	4,331	0.01%	7,357	0.01%
	Changes during the year	6/16/2017	Purchase	385	0.00%	7,742	0.01%
	Changes during the year	6/23/2017	Sale	(185)	0.00%	7,557	0.01%
	Changes during the year	6/30/2017	Purchase	4,880	0.01%	12,437	0.02%
	Changes during the year	7/7/2017	Sale	(580)	0.00%	11,857	0.02%
	Changes during the year	7/14/2017	Purchase	2,600	0.00%	14,457	0.02%
	Changes during the year	7/21/2017	Sale	(3,750)	-0.01%	10,707	0.02%
	Changes during the year	7/28/2017	Purchase	525	0.00%	11,232	0.02%
	Changes during the year	8/4/2017	Sale	(575)	0.00%	10,657	0.02%
	Changes during the year	8/11/2017	Purchase	150	0.00%	10,807	0.02%
	Changes during the year	8/18/2017	Sale	(1,126)	0.00%	9,681	0.01%
	Changes during the year	8/25/2017	Sale	(25)	0.00%	9,656	0.01%
	Changes during the year	9/1/2017	Purchase	970	0.00%	10,626	0.02%
	Changes during the year	9/8/2017	Sale	(1,673)	0.00%	8,953	0.01%
	Changes during the year	9/15/2017	Sale	(4,260)	-0.01%	4,693	0.01%
	Changes during the year	9/22/2017	Purchase	8,978	0.01%	13,671	0.02%
	Changes during the year	9/29/2017	Sale	(3,108)	0.00%	10,563	0.02%
	Changes during the year	10/13/2017	Sale	(100)	0.00%	10,463	0.02%
	Changes during the year	11/3/2017	Sale	(400)	0.00%	10,063	0.01%
	Changes during the year	11/10/2017	Sale	(2,347)	0.00%	7,716	0.01%
	Changes during the year	11/17/2017	Sale	(2,301)	0.00%	5,415	0.01%
	Changes during the year	11/24/2017	Purchase	651	0.00%	6,066	0.01%
	Changes during the year	12/1/2017	Sale	(50)	0.00%	6,016	0.01%
	Changes during the year	12/8/2017	Sale	(1,500)	0.00%	4,516	0.01%
	Changes during the year	12/15/2017	Sale	(4,515)	-0.01%	1	0.00%

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	12/22/2017	Purchase	1,050	0.00%	1,051	0.00%
	Changes during the year	12/29/2017	Sale	(50)	0.00%	1,001	0.00%
	Changes during the year	1/5/2018	Purchase	2,650	0.00%	3,651	0.01%
	Changes during the year	1/12/2018	Purchase	8,523	0.01%	12,174	0.02%
	Changes during the year	1/19/2018	Purchase	10,035	0.01%	22,209	0.03%
	Changes during the year	1/26/2018	Purchase	678,893	1.00%	701,102	1.03%
	Changes during the year	2/2/2018	Purchase	47,550	0.07%	748,652	1.10%
	Changes during the year	2/9/2018	Sale	(22,050)	-0.03%	726,602	1.07%
	Changes during the year	2/16/2018	Purchase	12,250	0.02%	738,852	1.09%
	Changes during the year	3/16/2018	Sale	(738,702)	-1.09%	150	0.00%
	Changes during the year	3/31/2018	Purchase	571,486	0.84%	571,636	0.84%
	At the end of the year	3/31/2018				571,636	0.84%
5	Name	MARIO OSCAR FRANCIS LOBO					
	At the beginning of the year	4/1/2017		489,419	0.72%	489,419	0.72%
	No Changes During the year						
	At the end of the year	3/31/2018				489,419	0.72%
6	Name	ICICI PREDENTIAL LIFE INSURANCE COMPANY LIMITED					
	At the beginning of the year	4/1/2017		2,166,722	3.19%	2,166,722	3.19%
	Changes during the year	12/15/2017	Sale	(284,805)	-0.42%	1,881,917	2.77%
	Changes during the year	3/23/2017	Sale	(1,293,852)	-1.91%	588,065	0.87%
	Changes during the year	3/31/2017	Sale	(142,206)	-0.21%	445,859	0.66%
	At the end of the year	3/31/2018				445,859	0.66%
7	Name	BHAVESH JAYANTILAL SHAH					
	At the beginning of the year	4/1/2017		299,000	0.44%	299,000	0.44%
	Changes during the year	8/11/2017	Purchase	103,500	0.15%	402,500	0.59%
	At the end of the year	3/31/2018				402,500	0.59%
8	Name	THE ORIENTAL INSURANCE COMPANY LIMITED					
	At the beginning of the year	4/1/2017		383,602	0.56%	383,602	0.56%
	No Changes During the year						
	At the end of the year	3/31/2018				383,602	0.56%
9	Name	AADI FINANCIAL ADVISOR LLP					
	At the beginning of the year	4/1/2017		479,585	0.71%	479,585	0.71%
	Changes during the year	1/5/2018	Sale	(140,978)	-0.21%	338,607	0.50%
	At the end of the year	3/31/2018				338,607	0.50%
10	Name	EDELWEISS CUSTODIAL SERVICES LIMITED					
	At the beginning of the year	4/1/2017		284,241	0.42%	284,241	0.42%
	Changes during the year	4/7/2017	Sale	(38)	0.00%	284,203	0.42%
	Changes during the year	4/14/2017	Sale	(199,158)	-0.29%	85,045	0.13%
	Changes during the year	4/21/2017	Purchase	13,012	0.02%	98,057	0.14%
	Changes during the year	4/28/2017	Purchase	9,782	0.01%	107,839	0.16%
	Changes during the year	5/5/2017	Purchase	6,736	0.01%	114,575	0.17%
	Changes during the year	5/12/2017	Purchase	14,045	0.02%	128,620	0.19%
	Changes during the year	5/19/2017	Purchase	32,785	0.05%	161,405	0.24%
	Changes during the year	5/26/2017	Purchase	692	0.00%	162,097	0.24%
	Changes during the year	6/2/2017	Sale	(29,495)	-0.04%	132,602	0.20%
	Changes during the year	6/9/2017	Purchase	4,191	0.01%	136,793	0.20%
	Changes during the year	6/16/2017	Purchase	13,273	0.02%	150,066	0.22%
	Changes during the year	6/23/2017	Purchase	30,978	0.05%	181,044	0.27%

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	6/30/2017	Sale	(382)	0.00%	180,662	0.27%
	Changes during the year	7/7/2017	Purchase	3,895	0.01%	184,557	0.27%
	Changes during the year	7/14/2017	Sale	(15,988)	-0.02%	168,569	0.25%
	Changes during the year	7/21/2017	Purchase	67,301	0.10%	235,870	0.35%
	Changes during the year	7/28/2017	Purchase	26,906	0.04%	262,776	0.39%
	Changes during the year	8/4/2017	Purchase	5,496	0.01%	268,272	0.40%
	Changes during the year	8/11/2017	Sale	(132,560)	-0.20%	135,712	0.20%
	Changes during the year	8/18/2017	Purchase	7,090	0.01%	142,802	0.21%
	Changes during the year	8/25/2017	Sale	(28,979)	-0.04%	113,823	0.17%
	Changes during the year	9/1/2017	Purchase	3,155	0.00%	116,978	0.17%
	Changes during the year	9/8/2017	Purchase	1,171	0.00%	118,149	0.17%
	Changes during the year	9/15/2017	Sale	(981)	0.00%	117,168	0.17%
	Changes during the year	9/22/2017	Sale	(2,597)	0.00%	114,571	0.17%
	Changes during the year	11/17/2017	Purchase	30,858	0.05%	145,429	0.21%
	Changes during the year	11/24/2017	Purchase	85,903	0.13%	231,332	0.34%
	Changes during the year	12/1/2017	Purchase	230,309	0.34%	461,641	0.68%
	Changes during the year	12/8/2017	Purchase	670	0.00%	462,311	0.68%
	Changes during the year	12/15/2017	Purchase	55,663	0.08%	517,974	0.76%
	Changes during the year	12/22/2017	Purchase	13,423	0.02%	531,397	0.78%
	Changes during the year	12/29/2017	Sale	(180)	0.00%	531,217	0.78%
	Changes during the year	12/30/2017	Sale	(25)	0.00%	531,192	0.78%
	Changes during the year	1/5/2018	Sale	(3,271)	0.00%	527,921	0.78%
	Changes during the year	1/12/2018	Purchase	3,650	0.01%	531,571	0.78%
	Changes during the year	1/19/2018	Purchase	2,171	0.00%	533,742	0.79%
	Changes during the year	1/26/2018	Sale	(6,821)	-0.01%	526,921	0.78%
	Changes during the year	2/2/2018	Purchase	7,202	0.01%	534,123	0.79%
	Changes during the year	2/16/2018	Sale	(6,150)	-0.01%	527,973	0.78%
	Changes during the year	2/23/2018	Sale	(42,224)	-0.06%	485,749	0.72%
	Changes during the year	3/31/2018	Sale	(180,000)	-0.27%	305,749	0.45%
	At the end of the year	3/31/2018				305,749	0.45%
11	Name	MOTILAL OSWAL SECURITIES LTD. - COLLATERAL ACCOUNT					
	At the beginning of the year	4/1/2017		637,050	0.94%	637,050	0.94%
	Changes during the year	4/7/2017	Sale	(95,988)	-0.14%	541,062	0.80%
	Changes during the year	4/14/2017	Purchase	250	0.00%	541,312	0.80%
	Changes during the year	4/21/2017	Purchase	38,958	0.06%	580,270	0.85%
	Changes during the year	4/28/2017	Purchase	47,153	0.07%	627,423	0.92%
	Changes during the year	5/5/2017	Purchase	8,273	0.01%	635,696	0.94%
	Changes during the year	5/12/2017	Sale	(59,099)	-0.09%	576,597	0.85%
	Changes during the year	5/19/2017	Purchase	8,355	0.01%	584,952	0.86%
	Changes during the year	5/26/2017	Purchase	96,774	0.14%	681,726	1.00%
	Changes during the year	6/2/2017	Sale	(8,949)	-0.01%	672,777	0.99%
	Changes during the year	6/9/2017	Purchase	4,146	0.01%	676,923	1.00%
	Changes during the year	6/16/2017	Sale	(10,568)	-0.02%	666,355	0.98%
	Changes during the year	6/23/2017	Purchase	576	0.00%	666,931	0.98%
	Changes during the year	6/30/2017	Purchase	4,796	0.01%	671,727	0.99%
	Changes during the year	7/7/2017	Purchase	2,144	0.00%	673,871	0.99%
	Changes during the year	7/14/2017	Sale	(38,261)	-0.06%	635,610	0.94%
	Changes during the year	7/21/2017	Purchase	5,587	0.01%	641,197	0.94%

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	7/28/2017	Sale	(110,381)	-0.16%	530,816	0.78%
	Changes during the year	8/4/2017	Sale	(119,139)	-0.18%	411,677	0.61%
	Changes during the year	8/11/2017	Purchase	15,931	0.02%	427,608	0.63%
	Changes during the year	8/18/2017	Purchase	2,878	0.00%	430,486	0.63%
	Changes during the year	8/25/2017	Sale	(10,386)	-0.02%	420,100	0.62%
	Changes during the year	9/1/2017	Purchase	8,372	0.01%	428,472	0.63%
	Changes during the year	9/8/2017	Purchase	23,728	0.03%	452,200	0.67%
	Changes during the year	9/15/2017	Sale	(12,417)	-0.02%	439,783	0.65%
	Changes during the year	9/22/2017	Purchase	23,999	0.04%	463,782	0.68%
	Changes during the year	9/29/2017	Sale	(4,073)	-0.01%	459,709	0.68%
	Changes during the year	10/6/2017	Sale	(4,980)	-0.01%	454,729	0.67%
	Changes during the year	10/13/2017	Sale	(4,134)	-0.01%	450,595	0.66%
	Changes during the year	10/20/2017	Sale	(348,760)	-0.51%	101,835	0.15%
	Changes during the year	10/27/2017	Purchase	410	0.00%	102,245	0.15%
	Changes during the year	11/3/2017	Purchase	807	0.00%	103,052	0.15%
	Changes during the year	11/10/2017	Purchase	3,544	0.01%	106,596	0.16%
	Changes during the year	11/17/2017	Purchase	13,204	0.02%	119,800	0.18%
	Changes during the year	11/24/2017	Sale	(21,966)	-0.03%	97,834	0.14%
	Changes during the year	12/1/2017	Purchase	35,930	0.05%	133,764	0.20%
	Changes during the year	12/8/2017	Sale	(18,304)	-0.03%	115,460	0.17%
	Changes during the year	12/15/2017	Purchase	30,397	0.04%	145,857	0.21%
	Changes during the year	12/22/2017	Sale	(19,176)	-0.03%	126,681	0.19%
	Changes during the year	12/29/2017	Purchase	66,356	0.10%	193,037	0.28%
	Changes during the year	1/5/2018	Purchase	68,360	0.10%	261,397	0.38%
	Changes during the year	1/12/2018	Sale	(65,728)	-0.10%	195,669	0.29%
	Changes during the year	1/19/2018	Sale	(38,148)	-0.06%	157,521	0.23%
	Changes during the year	1/26/2018	Sale	(34,726)	-0.05%	122,795	0.18%
	Changes during the year	2/2/2018	Purchase	7,376	0.01%	130,171	0.19%
	Changes during the year	2/9/2018	Sale	(7,596)	-0.01%	122,575	0.18%
	Changes during the year	2/16/2018	Sale	(9,438)	-0.01%	113,137	0.17%
	Changes during the year	3/31/2018	Purchase	7,790	0.01%	120,927	0.18%
	At the end of the year	3/31/2018				120,927	0.18%
12	Name	RELIANCE SPOT EXCHANGE INFRASTRUCTURE LIMITED					
	At the beginning of the year	4/1/2017		1,943,000	2.86%	1,943,000	2.86%
	Changes during the year	5/12/2017	Sale	(553,000)	-0.81%	1,390,000	2.05%
	Changes during the year	5/19/2017	Sale	(590,000)	-0.87%	800,000	1.18%
	Changes during the year	5/26/2017	Sale	(181,000)	-0.27%	619,000	0.91%
	Changes during the year	6/2/2017	Sale	(165,000)	-0.24%	454,000	0.67%
	Changes during the year	6/9/2017	Sale	(454,000)	-0.67%	-	0.00%
	At the end of the year	3/31/2018				-	0.00%
13	Name	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIACE DIVERSIFIED POWER SECTOR FUND					
	At the beginning of the year	4/1/2017		1,130,854	1.67%	1,130,854	1.67%
	Changes during the year	4/7/2017	Sale	(75,000)	-0.11%	1,055,854	1.55%
	Changes during the year	4/14/2017	Sale	(50,000)	-0.07%	1,005,854	1.48%
	Changes during the year	4/21/2017	Sale	(50,000)	-0.07%	955,854	1.41%
	Changes during the year	5/12/2017	Sale	(50,000)	-0.07%	905,854	1.33%
	Changes during the year	6/30/2017	Sale	(2,097)	0.00%	903,757	1.33%
	Changes during the year	7/7/2017	Sale	(143,809)	-0.21%	759,948	1.12%

	Name of the Shareholder	Date	Reason	Transactions during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	7/14/2017	Sale	(13,751)	-0.02%	746,197	1.10%
	Changes during the year	7/21/2017	Sale	(125,000)	-0.18%	621,197	0.91%
	Changes during the year	7/28/2017	Sale	(50,000)	-0.07%	571,197	0.84%
	Changes during the year	8/4/2017	Sale	(52,238)	-0.08%	518,959	0.76%
	Changes during the year	8/11/2017	Sale	(100,000)	-0.15%	418,959	0.62%
	Changes during the year	8/18/2017	Sale	(127,435)	-0.19%	291,524	0.43%
	Changes during the year	8/25/2017	Sale	(2,320)	0.00%	289,204	0.43%
	Changes during the year	9/1/2017	Sale	(289,204)	-0.43%	-	0.00%
	At the end of the year	3/31/2018				-	0.00%
14	Name	A E SECURITIES & INVESTMENT PVT LTD.					
	At the beginning of the year	4/1/2017		900,000	1.33%	900,000	1.33%
	Changes during the year	4/28/2017	Sale	(218,190)	-0.32%	681,810	1.00%
	Changes during the year	5/5/2017	Sale	(225,952)	-0.33%	455,858	0.67%
	Changes during the year	5/12/2017	Sale	(455,858)	-0.67%	-	0.00%
	At the end of the year	3/31/2018				-	0.00%
15	Name	MAHIMA STOCKS PVT LTD.					
	At the beginning of the year	4/1/2017		575,198	0.85%	575,198	0.85%
	Changes during the year	5/12/2017	Sale	(575,198)	-0.85%	-	0.00%
	At the end of the year	3/31/2018				-	0.00%

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	94,500.33	-	-	94,500.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	195.44	-	-	195.44
Total (i+ii+iii)	94,695.77	-	-	94,695.77
Change in Indebtedness during the financial year				
* Addition	8,693.05	500.00	-	9,193.05
* Reduction	1,916.38	500.00	-	2,419.38
Net Change	6,776.67	-	-	6,776.67
Indebtedness at the end of the financial year				
i) Principal Amount	91,903.29	-	-	91,903.29
ii) Interest due but not paid	9,530.05	-	-	9,530.05
iii) Interest accrued but not due	39.10	-	-	39.10
Total (i+ii+iii)	101,472.44	-	-	101,472.44

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

On account of losses during the year under review, the Company did not pay any remuneration to Mr. Rajesh S Jain, Whole Time Director of the Company

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Bherulal Choudhary	Mr. Sanjay Bhatnagar	Mrs. Archana Capoor	Mr. Shyams under Deo	Mr. Shailesh Jain	
	Designation	Independent Director	Independent Director	Independent Director	Independent Director	Non-Executive Director	
	Fee for attending Board & Committee meetings	245,000	75,000	50,000	220,000	130,000	720,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total Managerial Remuneration	245,000	75,000	50,000	220,000	130,000	720,000
	Overall Ceiling as per the Act	As per the Companies Act, 2013					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Amit Sudhakar***	**Ganesh Tawari#**	
	Designation	**Chief Financial Officer**	**Company Secretary**	
1	Gross salary	1,535,850.00	2,653,863.00	4,189,713.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400.00	32,400.00	64,800.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, Bonus	-	-	-
	Total	1,568,250.00	2,686,263.00	4,254,513.00

* Mr. Amit Sudhakar has resigned from the post of Chief Financial Officer of the Company w.e.f 29.09.2017.

Mr. Ganesh Tawari appointed as a Chief Financial Officer of the Company w.e.f 20.03.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/Punishments/Compounding of Offences for the year ended March, 31 2018.

ANNEXURE- F

(A) CONSERVATION OF ENERGY:

(i) Initiatives taken for sustainable conservation of energy:

Halogen lamps replaced by the LED lamps. This resulted a net saving of 30,842 kWH. (Rs. 3.08 Lakh)

(ii) The steps taken by the Company for utilizing alternate sources of energy: NIL

(iii) The capital investment on energy conservation equipments: NIL

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

a. Installation & implementation of advanced software program for Design verification.

b. Upgradation of 20kL oil filtration plant by installation of NAS filters for control of suspended particulate in oil.

c. Process improvement for hydraulic pressing and clamping of Core-coil assembly.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution and addition of infrastructure for product improvement:

a. Installation & implementation of advanced software will improve competitiveness by accurately estimating the losses and optimizing the designs; it will also enhance reliability of the transformer during service by avoiding undue hot spot temperatures in the tank.

b. Upgradation of 20kL oil filtration plant will help in improving the quality of oil for high voltage testing of transformers.

c. Improvement in clamping of Core-coil assembly will help in improved clamping and reducing the manufacturing cycle time of transformers.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. The details of technology imported – **NIL**

b. The year of import - **NIL**

c. Whether the technology been fully absorbed - **N.A.**

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – **N.A.**

(iv) The expenditure incurred on Research and Development:

The expenditure incurred on Research and Development- INR 222.06 Lakh

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

A. Foreign Exchange Earning = INR 95.81 Crore

B. Foreign Exchange Outgo = INR 49.18 Crore

ANNEXURE- G

Report on Corporate Social Responsibility Activities

Established in the year 2007 in Thane, EMCO Foundation (EF) the CSR arm of EMCO Ltd is a registered Public Charitable Trust having registration number: E-4571 (Thane) with a vision **"To transform lives through sustainable development involving stakeholders"** in India. EF is engaged in a variety of people-centric, social development projects aiming at transforming lives of communities with whom it is involved.

The Foundation works with both urban as well as rural communities. Major Thrust areas of EF are as follows:-

1. Educational Development
2. Environmental Conservation
3. Health Care

More details are available about these projects on our website:-www.emcofoundation.com

Through these projects, Emco Foundation has so far reached **88,723** people and transformed their lives.

The Web-Link to the CSR Policy is given below, where the CSR Policy is available in detail.

http://www.emco.co.in/pdf/policy/CSR%20Policy.pdf

1. **CSR Expenditure and Monitoring of Programs:**

   A Board level committee is constituted pursuant to the provision of Section 135 (1) of the Companies Act 2013 and Rules made thereunder, shall recommend the yearly budget of CSR programs to be undertaken by the company by itself or though implementing agency(ies). The Board of Directors shall allocate requisite fund for execution of CSR Programs.

   CSR Committee of the Board shall directly monitor CSR programs carried by the Company itself or through implementing agencies and report to the Board. Detail report on CSR shall also be reported in the Director's Report and published in Annual Report of the Company and will be made available on Company's website.

2. **The composition of CSR Committee**.

   - Shyamsunder Deo - Chairman
   - Bherulal Choudhary - Member
   - Sanjay Bhatnager - Member

3. Average Net Profit/(Loss) of the company for the last three financial year: **Not Applicable**
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): **Not Applicable**
5. **Detail of CSR spent during the financial year 2017-18** ;

   a) Total Amount spent for the financial year : **Rs. 6.28 Lakhs**

   b) Amount unspent, if any: Not Applicable

CSR EXPENDITURE FOR THE YEAR 2017-18

(Rs. Lakhs)

(1)	(2)	(3)	(4)		(6)		(7)	(8)
Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs		Amount Spent on Projects or Programs		Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
			Local Area or Other	Specify the state and district where projects or programs were undertaken	Direct Expenses	Overheads		
1	Project Yashasvi	Education	Thane, Jalgaon, Vadodara	Thane-Maharashtra Jalgaon-Maharashtra Vadodara-Gujarat	5.07	0.05	5.12	Direct: Emco Foundation
2	Daan Utsav	Other	Thane, Jalgaon, Vadodara	Thane-Maharashtra Jalgaon-Maharashtra Vadodara-Gujarat	0.01	-	0.01	Emco Foundation with NGO: GOONJ
3	Other			Others	1.15		1.15	Medical and Other expenditure
			Total		**6.23**	**0.05**	**6.28**	

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 the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 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:

a) **Customer Centric**: Customer would be the reason for Company's existence.

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

c) **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.

d) **Result Orientation:** The Company shall achieve its results with utmost grit and determination against all odds.

e) **Trust and Integrity:** The Company shall endeavor continuously to build trust in its dealings with all its stakeholders and perceived as a Company with people of high integrity.

f) **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.

GOVERNANCE STRUCTURE

2. BOARD OF DIRECTORS

A) **Composition:**

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

The Board of Directors (**Board**) of the Company is a balanced Board, comprising of Executive and Non-Executive Directors. The Chairman of the Company is an Executive Director and majority of the Board members are Non-Executive Directors which include the Independent Directors. The Board of the Company also include a Woman Director appointed in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**)

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The following is the composition of the Board of Directors of the Company as on 31st March, 2018:-

Category	Number of Directors	Percentage of Total Number of Directors
Executive Director	1	16.67
Non-Executive Non- Independent Director	1	16.67
Independent Directors including a Woman Director	4	66.66
Total	**6**	**100.00**

B) Directors' Committee memberships as on March 31, 2018

As mandated by Regulation 26(1) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2018 are given below:

Composition of the Board of Directors as on 31st March, 2018					
Name of Director	Designation	Category	Particulars of other Directorship, Committee Memberships/ Chairmanships		
			Other Directorships(1)	Committee Memberships(2)	Committee Chairmanships(2)
Executive Director					
Mr. Rajesh Jain(3)	Chairman	Promoter	8	0	0
Non-Executive Directors					
Mr. Shailesh Jain (3)	Vice Chairman	Promoter	8	1	0
Mr. Shyamsunder Deo	Director	Independent	2	1	0
Mr. Bherulal Choudhary	Director	Independent	2	1	1
Mr. Sanjay Bhatnagar	Director	Independent	1	0	1
Mrs. Archana Capoor	Woman Director	Independent	7	2	1

(1) Excludes Directorship held in Private Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 & Section 8 of the Companies Act, 2013 and Directorship held as an alternate Director.

(2) Committee includes Audit Committee and Stakeholders Relationship Committee of Indian Companies. It also includes Directorship/Membership/Chairmanship of EMCO Limited.

(3) Mr. Rajesh S. Jain and Mr. Shailesh S. Jain are related to each other as brothers.

(4) Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

Brief profiles of each of the above Directors are available on the Company's website: www.emco.co.in

C) Board Meetings and Attendance:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the company and its subsidiaries. The Board meetings are Pre-Schedule and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of Business emergencies, the Board's approval is taken through circular resolutions. The Circular resolutions are noted at the subsequent Board Meetings.

The Notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures the timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets / targets.

During the financial year ended on 31st March 2018 total 6 (Six) meetings of the Board of Directors were held. Board meetings are convened by giving appropriate notice to the Directors. The maximum gap between two meetings was well within the period prescribed under Section 173 of the Companies Act, 2013 and Regulation 17 of Listing Regulations

Attendance Record of the Directors for Year 2017-18							
Name	**Board Meetings**						**AGM**
	27.05.2017	26.06.2017	14.08.2017	13.11.2017	13.02.2018	20.03.2018	25.09.2017
Mr. Rajesh Jain	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Shailesh Jain	Yes	No	Yes	Yes	Yes	No	No
Mr. Shyamsunder Deo	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Bherulal Choudhary	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Sanjay Bhatnagar	Yes	No	No	No	Yes	No	No
Mrs. Archana Capoor	No	No	Yes	No	Yes	No	No

D) Information placed before the Board:

The company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentation and discussion during the meetings.

E) Independent Directors:

The Non-Executive Independent Directors fulfils the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.emco.co.in

In compliance with the Listing Regulations, Directors of the company do not serve as an Independent Director in more than 7(Seven) Listed Companies. In case he/she is serving as a Whole Time Director in any listed Company, does not hold the position of Independent Director in more than 3 (Three) Listed Companies.

Independent Directors Meeting

During the year under review, a meeting of the Independent Directors was held on February 13, 2018. All Independent Directors were present at the meeting to discuss the:

a. performance evaluation of the Board as a whole and Non-Independent Director's;

b. performance evaluation of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;

c. Quality, content, timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties;

d. Current strategic and operational position of the Company.

Duties of Independent Director

The duties of Independent Directors of the Company, as laid down under Schedule IV to the Companies Act, 2013, are incorporated herein pursuant to the Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"). It shall be the duty of Independent Directors to:

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- Strive to attend all meetings of the Board of Directors and of the Board Committees of which they are a member;
- Participate constructively and actively in the Board Committees in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;
- Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board of Directors;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or Board Committee;
- Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- Report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct;
- Act within their authority and assist in protecting the legitimate interests of the Company, shareholders and its employees;
- Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required by law.

The Company has put in place an induction and familiarization programme for all its Directors including the Independent Directors. The familiarisation programme for Independent Directors is in accordance with the provisions of Regulation 46(2) (i) of Listing Regulations.

The details of the familiarization programme of the Company is available on the website of the Company at http://www.emco.co.in/pdf/Familiarization%20Programme%20of%20Indpendedn t%20Dir ectors%20for%20the%20year%202017-18.pdf

F) Non-Executive Directors Compensation:

The Non-Executive Directors including Independent Directors are paid sitting fees for attending the meetings of Board and for attending the meetings of the Board Committees, namely:

i. Audit Committee,

ii. Stakeholders Relationship Committee,

iii. Nomination & Remuneration Committee,

iv. ESOP Committee

v. Finance & Administrative Committee

vi. Corporate Social Responsibility Committee

vii. Risk Management Committee

The Independent Directors of the Company are also paid sitting fees for attending the separate meeting of Independent Directors of the Company.

The Company has not been paying any other remuneration to Non-Executive Directors (including Independent Directors), which requires prior 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.

The details of sitting fees paid to Non-Executive Directors and shares held of the Company during F.Y. 2017-18 are as below:-

Name of Director	Sitting Fees (Rs.)	No. of Shares
Mr. Shailesh Jain	1,30,000	62,99,340
Mr. Bherulal Choudhary	2,45,000	NIL
Mr. Shyamsunder Deo	2,20,000	NIL
Mr. Sanjay Bhatnagar	75,000	NIL
Mrs. Archana Capoor	50,000	NIL
Total	**7,20,000**	

G) Code Of Conduct:

The Company has a Code of Conduct for Directors and senior management that reflects its high standards of integrity and ethics. The Directors and senior management of the Company have affirmed their adherence to this Code of Conduct for FY 2017-2018. As required by Regulation 34 read with Schedule V of the Listing Regulations, Mr. Rajesh Jain, as the Company's Chairman, has signed a declaration, stating that the Board of Directors and senior management personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report.

This Code has been posted on the Company's website http://www.emco.co.in/code-of-conduct.html

H) Conflict of Interest:

Each Director informs the company on an annual basis about the Board and Committee positions he / she occupies in other companies including Chairmanships and notifies the changes during the year. The members of the Board while discharging their duties avoid the conflict of interest in decision making process. The members of Board restrict themselves from any discussion and voting in transactions in which they have concern or interest.

I) Insider Trading Code:

The Company has adopted a "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insider" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code is applicable to Promoters and Promoter's group, all directors and such Designated Employees who are expected to have access to Unpublished Price Sensitive Information relating to the company. The Company Secretary is the Compliance Officer for monitoring adherence to the said regulations.

The company has also formulated "Code of practices and procedures for fair disclosure of 'Unpublished Price Sensitive Information' (UPSI)"incompliance with the regulations. The Code are displayed on the company website viz. http://www.emco.co.in/Insider-regulations.html

3. COMMITTEES OF THE BOARD

Currently, there are Seven Committees of the Board viz. 1) Audit Committee 2) Stakeholders Relationship Committee 3) Nomination & Remuneration Committee 4) ESOP Committee 5) CSR Committee 6) Finance and Administrative Committee and 7) Risk Management Committee. The terms of reference of 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. Composition and meetings of the Committee:

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The composition, quorum, power, role and scope are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. All members of the Audit Committee are financially literate and possess experience in the field of finance, accounting and law. Mr. Ganesh Tawari, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

There were no matters during the financial year 2017-18 wherein the Board did not accept recommendations given by the Audit Committee.

The Chairman of the Audit Committee Mr. Sanjay Bhatnagar had authorised, on his behalf, Mr. Shyamsunder Deo, a Member of Audit Committee to attend the 52nd Annual General Meeting of the Company held on September 25, 2017 at the registered office of the Company. Accordingly, he had attended the AGM and replied to the shareholder's queries. The Internal Auditor had also attended the meeting of the Audit Committee.

Composition of the Audit Committee for the financial year ended March 31, 2018 and attendance of the members during the year are as follows:

Audit Committee Meetings						
Name of Director	Designation	27.05.2017	14.08.2017	13.11.2017	13.02.2018	20.03.2018
Mr. Sanjay Bhatnagar	Chairman	Yes	No	No	Yes	No
Mr. Bherulal Choudhary	Member	Yes	Yes	Yes	Yes	Yes
Mr. Shyamsunder Deo	Member	Yes	Yes	Yes	Yes	Yes

ii. 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 Regulation 18 read with Part - C of Schedule- II of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. 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, remuneration and terms of appointment of auditors of the Company.

(3) Approving the payments to statutory auditors for other services rendered by them.

(4) Reviewing with the management and external auditors, annual financial statements and results and auditors' report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be include in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
- 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.
- Disclosure of any related party transactions.
- Modified opinion(s)/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) Review performance of Statutory Auditors and Internal Auditors.

(7) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

(8) 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.

(9) Monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(10) Review and monitor the auditor's independence and performance and effectiveness of audit process.

(11) Approval or any subsequent modification of transactions of the Company with related parties.

(12) Valuation of undertaking or assets of the Company, wherever it is necessary.

(13) Evaluation of Internal Financial Control and Risk Management system.

(14) 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.

(15) 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.

(16) Discussing pre audit matters about nature and scope of statutory audit and post audit discussion on areas of concern.

(17) Discuss with Internal Auditors any significant finding and follow up thereon.

(18) To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

(19) Approval of appointment of Chief Financial Officer (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.

(20) Reviewing issues related to risk management and compliances.

(21) Reviewing financial statements, including Investments in subsidiary Companies.

(22) Reviewing the functions of the Whistle Blower mechanism.

(23) Scrutiny of Inter-Corporate loans & investments.

(24) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) Nomination and Remuneration Committee:

i. Composition and meetings of the Committee:

The Nomination and Remuneration Committee is constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule – II of the Listing Regulation to fix compensation / remuneration for Managing / Whole-time Directors, Key Managerial Personnel, Senior Management personnel and relatives of Directors. The Committee comprises of three Non- Executive Directors. The Chairman of the Committee is a Non-Executive and Independent Director. Mr. Ganesh Tawari, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

Composition of the Nomination and Remuneration Committee for the financial year ended March 31, 2018 and attendance of the members during the year are as follows:

Nomination and Remuneration Committee Meetings				
Name of Director	Designation	27.05.2017	13.02.2018	17.03.2018
Mr. Bherulal Choudhary	Chairman	Yes	Yes	Yes
Mr. Shailesh Jain	Member	Yes	Yes	No
Mr. Shyamsunder Deo	Member	Yes	Yes	Yes

ii. Brief description of Terms of Reference:

The roles, powers and functions of Nomination and Remuneration Committee specified by the Board are in conformity with the requirements of Regulation 18 read with Part - D of Schedule- II of the Listing Regulations as well as Section 177 of the Companies Act, 2013. Terms of reference of the Committee includes inter alia;

(1) Formulate and review from time to time the criteria for determining qualifications, positive attributes and independence of directors for selection and appointment of Directors, Key Managerial Personnel and Senior Management employees and their remuneration.

(2) Recommend policy relating to, the remuneration of Directors, Key Managerial Personnel and other employee.

(3) Formulation of criteria for evaluation of performance of Independent Director and the Board of Directors.

(4) Recommend to the Board of Directors for appointment and removal of Director and senior management employees.

(5) Devising policy on diversity of Board of Directors.

(6) Identifying and selection of candidates who are qualified for appointment as Directors / Independent Directors based on certain laid down criteria.

(7) Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions.

(8) Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

(9) Whether to extend or continue term of appointment of Independent Director, based on the report on performance evaluation.

iii. Remuneration of Directors:

(1) All pecuniary relationship or transactions of the non-executive directors:

No pecuniary relationship exists between the Non - Executive Directors and the Company other than drawing sitting fees and reimbursement of expenses to attend meetings of the Board and Committees thereof. Mr. Shailesh S. Jain, a non-executive director of the company is brother of Mr. Rajesh S. Jain, Whole Time Director, of the Company.

(2) Criteria of making payments to Non-Executive Directors:

The criteria of making payments to Non-Executive Directors of the company are disseminated on the website of the company and can be accessed at weblink: http://www.emco.co.in/pdf/policy/CRITERIA%20OF%20MAKING%20PAYMENTS%20TO%20NON-EXECUTIVE%20DIRECTORS.pdf

(3) Remuneration policy:

The Remuneration Policy of EMCO Ltd. ("the Company") is designed to attract, motivate, retain manpower, improve productivity, encourage initiatives, personal growth and team work and inculcating a sense of belonging and involvement. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders. The Policy is guided by the principles as envisaged under Section 178 of the Companies Act, 2013

This Remuneration Policy applies to directors, senior management including Key Managerial Personnel (KMP) of the Company.

(4) Remuneration to Manager, Whole Time Director / Executive Director / Managing Director:

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

Executive director of the Company is being paid salary, allowances, perquisites, which are of fixed nature and does not involve performance linked incentives and there is no ESOP issued. Payment of remuneration to Whole Time Director and Executive Director is governed by Agreement entered into between the Company and the Managerial Personnel, the terms and conditions of which have been duly approved by the Board of Directors and the shareholders of the Company.

During the year under review, on account of loss and in compliance with the provisions of the Companies Act, 2013 read with Schedule V , Mr. Rajesh S. Jain (DIN:00005829), Whole Time Director of the Company was not paid any remuneration.

Service contracts, notice period, severance fees;

The Service Contract entered with Whole Time Director is for 3 years w.e.f. 20th October 2017. The terms of employment stipulate a notice period of 6 (Six) months, for termination of appointment of whole time director and Executive Director, on either side. There is no provision for payment of severance fees.

(5) Remuneration to Non- Executive Director/ Independent Director:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and rules made thereunder. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and to participate in any share based payment scheme of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

I. The Services are rendered by such Director in his capacity as the professional; and

II. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(6) Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

iv. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, CSR and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Director including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their separate meeting held on 13th February, 2018. The Directors expressed their satisfaction with the evaluation process.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

i. Composition and meetings of the Committees:

The Stakeholders' Relationship Committee comprises of three Non-Executive Directors, all of them are Independent Directors. The composition, quorum, power, role and scope are in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. All members of the Audit Committee are financially literate and possess experience in the field of finance, accounting and law. Mr. Ganesh Tawari, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

Composition of the Stakeholders' Relationship Committee for the financial year ended March 31, 2018 and attendance of the members during the year are as follows:

Stakeholders' Relationship Committee Meetings					
Name of Director	Designation	27.05.2017	14.08.2017	13.11.2017	13.02.2018
Mr. Bherulal Choudhary	Chairman	Yes	Yes	Yes	Yes
Mr. Shailesh Jain	Member	Yes	Yes	Yes	Yes
Mr. Ganesh Tawari	Company Secretary	Yes	Yes	Yes	Yes

ii. Brief description of Terms of Reference:

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

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 Stakeholders Relationship Committee.

iii. Complaints/ request received from Shareholders during the Financial Year 2017-18.

Sr. No	Nature of Complaints	Opening	Received	Resolved	Closing
1.	Non-receipt of Certificate	0	1	1	0
2.	Non-receipt of Dividend	0	8	8	0
3.	Non-receipt of Annual Report	0	0	0	0
4.	Others	0	0	0	0
	Sub-Total	**0**	**9**	**9**	**0**
5.	Transfer / Transmission	0	128	128	0
6.	Deletion of Name	0	1	1	0
7.	Duplicate shares	0	130	130	0
8.	Demat / Remat request	0	14	14	0
9.	Change of Address	0	7	7	0
10.	Others	0	25	25	0
	Sub-Total	**0**	**305**	**305**	**0**
	TOTAL	**0**	**314**	**314**	**0**

D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

i. Composition and meetings of the Committees:

The CSR Committee comprises of three Non-Executive Directors, all of them are Independent Directors. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has formulated CSR Policy, which is uploaded on the website of the company viz. http://www.emco.co.in/pdf/policy/CSR%20Policy.pdf

Composition of the Corporate Social Responsibility (CSR) Committee for the financial year ended March 31, 2018 and attendance of the members during the year are as follows:

Corporate Social Responsibility (CSR) Committee Meetings		
Name of the Director	**Designation**	**27.05.2017**
Mr. Shyamsunder Deo	Chairman	Yes
Mr. Bherulal Choudhary	Member	Yes
Mr. Sanjay Bhatnagar	Member	Yes

ii. Brief description of Terms of Reference:

The CSR Committee is duly constituted by the Board of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

The Committee shall;

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013,

b) Recommend the amount of expenditure to be incurred on CSR activities and

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

E) RISK MANAGEMENT COMMITTEE:

i. Composition and meetings of the Committee:

The Risk Management Committee comprises of Executive Director, Non-Executive Director, Independent Director and Company Secretary to access the various risk faced by the company. Composition of the Risk Management Committee for the financial year ended March 31, 2018 and attendance of the members during the year are as follows;

Risk Management Committee Meeting		
Name of Directors	**Designation**	**13.02.2018**
Mr. Rajesh S. Jain	Chairman	Yes
Mr. Shailesh S. Jain	Member	Yes
Mr. Shyamsunder Deo	Member	Yes
Mr. Ganesh Tawari	Company Secretary	Yes

ii. Brief description of Terms of Reference:

a. Identify and manage existing and new risks in a planned and coordinated manner with minimum amount of disruption and cost.

b. Develop a "Risk" culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective actions.

iii. To realize the risk management objective, the company aims to ensure that:

a. The identification and management of risk is integrated in the day to day management of business;

b. Risks are identified, assessed in the context of the company's appetite for risk and their potential impact on the achievement of objectives, continuously monitored and managed to an acceptable level;

c. The escalation of risk information in time, accurate and gives complete information on the risks to support decision making at all management levels;

d. Risk is primarily managed by the business function transacting the business which gives rise to the risk; and

e. All employees actively engage in risk management within their own areas of responsibility

F) OTHER FUNCTIONAL COMMITTEES;

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

i. ESOP Committee (Compensation Committee) of Directors that is administering and implementing the Employee Stock Option Scheme.

ii. Finance and Administrative Committee is empower to borrow the money otherwise than on debentures for the business purpose of the Company

4. SUBSIDIARY / JOINT VENTURES COMPANIES:

1. The Company has following Non-material unlisted subsidiaries:

   A. Direct Subsidiaries :

   I. Indian :

   - EMCO Power Limited
   - EMCO Renewable Energy Limited
   - Shekhawati Transmission Service Company Limited
   - EMCO Infrastructure Limited

   II. Foreign :

   - EMCO Overseas Pte Limited (Singapore)
   - EMCO Global DMCC (Dubai)

   B. Step Down Subsidiaries :

   I. Indian :

   - EMCO Transmission Networks Limited

   II. Foreign :

   - PT Setenco Investa Niaga (Indonesia)

C. Joint Venture Companies through EMCO Power Limited (WOS):

- Shyam Emco Infrastructure Ltd.
- Kalinga Energy and Power Ltd.

2. The Audit Committee of the Company periodically reviews the financial statements of subsidiary companies.

3. The Minutes of the meetings of the Board of Directors of subsidiary companies are placed at the Meeting of the Board of Directors 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.

   Policy on determining material subsidiaries of the Company can be accessed from following weblink http://www.emco.co.in/pdf/policy/Policy%20on%20Material%20Subsidiary.pdf

5. DISCLOSURES:

a) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the company has followed the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The Significant Accounting policies which are consistently applied are set out in the notes to the Financial Statements.

b) Disclosure on Related Party Transactions:

Related Party Transactions during the year have been disclosed vide Note No. 44, in Notes forming Part of financial statements as per the requirements of "Indian Accounting Standard - 24 on 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.

Policy for consideration and approval of Related Party Transactions of the Company can be accessed from following weblink: http://www.emco.co.in/pdf/policy/RelatedPartyPolicy.pdf

c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges 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 during the Financial year 2017-18. However during the Financial year 2016-17, the BSE Limited and the National Stock Exchange of India Limited had levied penalty for delayed in submission of unaudited financial results of the Company for the quarter ended 31st December, 2016.

d) Vigil Mechanism, Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the Vigil Mechanism Policy and placed it on the website of the Company at following web link http://www.emco.co.in/pdf/policy/Vigil%20Mechanism%20Policy.pdf

During the year under review, no personnel of the Company approached the Audit Committee or were denied access to the Audit Committee on any issue falling under the said policy.

e) 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 includes 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 risk mitigation procedures are laid down by the Board and implemented.

f) Commodity price risk and Commodity hedging activities:

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through Price Variation Clauses.

g) 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 Listing Regulations and adoption of non-mandatory requirements is being reviewed by the Board from time to time.

6. GENERAL BODY MEETINGS

The Annual General Meetings (AGMs) of the Company are held at the registered office of the Company at N – 104, Mehrun, MIDC Area, Jalgaon – 425 003, Maharashtra, India. The last three AGMs were held as under:

AGM	Financial Year	Day & Date	Time	Special Resolution passed
50th	2014-15	Friday, September 25, 2015	11.30 AM	**Yes.** 1. Re-appointment of Mr. S. V. Deo, Independent Director for second term of five years 2. Re-appointment of Mr. Sanjay Bhatnagar, Independent Director for second term of five years 3. Re-appointment of Mr. Bherulal Choudhary, Independent Director for second term of five years 4. For creating a charge on movable and immovable properties of the company pursuant to Section 180(1) (a) of the Companies Act, 2013 5. For borrowing money with the money already borrowed but not exceeding Rs. 2500 Crore.
51st	2015-16	Thursday, September 29, 2016	11:30 AM	**Yes** Payment of Remuneration to Whole Time Director in Case of inadequacy of profit for the financial year 2016-17.
52nd	2016-17	Monday, September 25, 2017	11:30 AM	**Yes** 1. Re-appointment of Mr. Rajesh S. Jain as a Whole Time Director of the company and designated as Chairman for a period of 3 years. 2. Change in place of keeping and inspection of Registers, Returns etc.

7. MEANS OF COMMUNICATION

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 through online compliance dissemination portals mandated by Stock Exchanges. The result(s) were published in 'Business Standard' – All Indian Edition and 'Lokmat'- Jalgaon Edition and is displayed on Company's website www.emco.co.in. The Annual report is also posted to all shareholders of the Company.

1. The official news releases whenever made by the Company are immediately forwarded to stock exchanges before publication. They are also displayed on the website of the Company.
2. The quarterly financial statements, press releases, shareholding patterns and all other information disseminated to analysts/institutional investors are hosted on Company's website www.emco.co.in
3. In compliance of Regulation 6 of the Listing Regulation, the Company has created e-mail id: investorgrievance@emco.co.in / investorrelation@emco.co.in exclusively to redress investors / shareholders grievances and to maintain relationship with them.

8. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting for the Financial Year 2017-18:

Venue	N-104, MIDC Area, Mehrun, Jalgaon-425003, Maharashtra.
Time	11.30 A.M.
Day	Tuesday
Date	25th September, 2018
Financial Year ended	31st March, 2018
Dividend Payment Date	Not Applicable

ii. Postal Ballot:

During the year under review, no resolution was passed through Postal Ballot.

iii. Financial calendar (tentative):

Particulars of Quarter	Tentative Dates
Results for quarter ending 30th June, 2018	On or before 14th August 2018
Results for quarter and half year ending 30th September, 2018	On or before 14th November 2018
Results for quarter and nine months ending 31st December, 2018	On or before 14th February 2019
Results for quarter and year ending 31st March, 2019	On or before 30th May 2019

iv. Stock Exchanges where shares are listed:

Name and address of the stock exchange	Stock Code/Symbol
BSE 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**

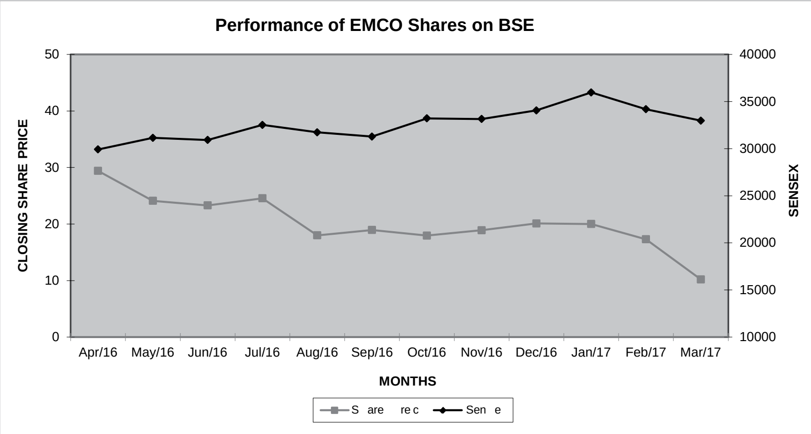
v. Status of Listing Fees:

The Company has paid Listing fees to BSE Limited and National Stock Exchange of India Limited and custodian fees to NSDL and CDSL within the prescribed time limit for the financial year 2018-19. The Company's shares have not been suspended from trading on any of the Exchanges.

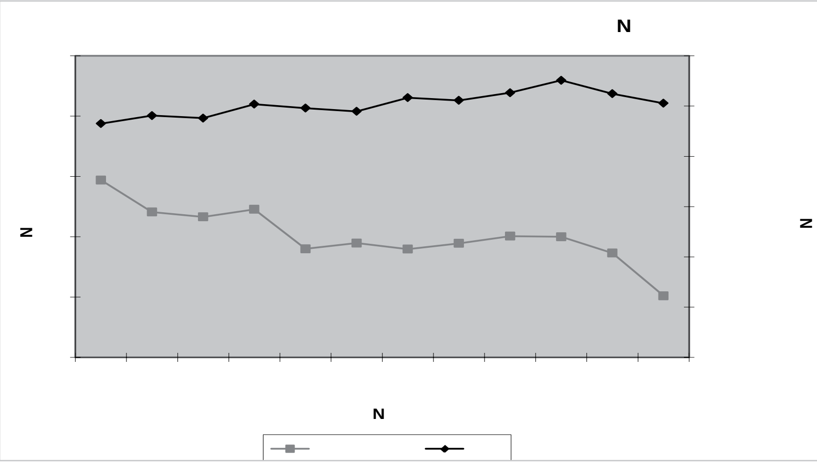
vi. Stock Market data:

Month	BSE		NSE	
	High	Low	High	Low
April, 2017	33.55	28.00	33.60	28.00
May, 2017	30.65	23.40	33.70	23.50
June, 2017	27.35	23.20	27.50	23.05
July, 2017	25.50	22.70	27.50	23.05
August, 2017	24.95	16.85	24.80	16.85
September, 2017	23.45	18.05	23.45	17.95
October, 2017	19.65	16.85	19.85	17.05
November, 2017	21.80	17.00	21.80	16.40
December, 2017	22.55	17.60	23.00	17.75
January, 2018	23.65	18.35	23.55	18.85
February, 2018	20.85	17.00	20.50	16.75
March, 2018	17.70	09.15	17.70	9.15

vii. EMCO Equity Share performance vis-à-vis Sensex:



viii. EMCO Equity Share performance vis-à-vis Nifty:



ix. Registrar and Transfer Agents:

M/s. Link Intime India Pvt Ltd.
C- 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Tel: +91 22 49186000
Fax: +9122 49186060
E-mail: rnt.helpdesk@linkintime.co.in

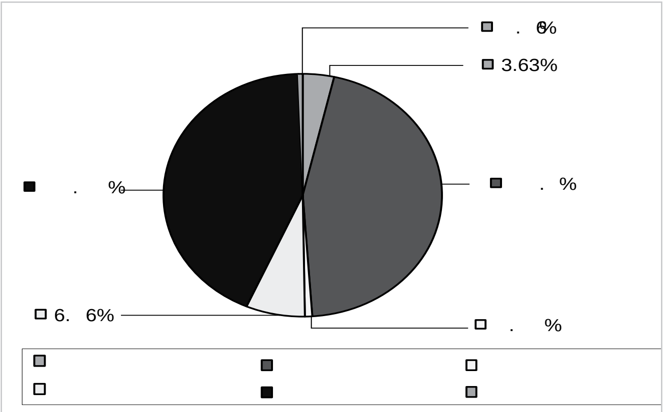
x. Share Transfer System:

The Company's shares being in compulsory demat mode are transferable through the depository system. Shares in physical form can be lodged for transfer with the Company and Company's Registrar & Share Transfer Agent, are 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.

xi. Distribution of Shareholding as on 31st March 2018:

Range	Number of Holders	% to Total Holders	Shareholding (Shares)	% to Total Capital
1 - 5,000	25,536	96.4241	15066503	22.1862
5,001 - 10,000	543	2.0504	4187570	6.1664
10,001 - 20,000	213	0.8043	3071799	4.5234
20,001 - 30,000	63	0.2379	1538177	2.2650
30,001 - 40,000	34	0.1284	1188341	1.7499
40,001 - 50,000	26	0.0982	1197759	1.7638
50,001 - 1,00,000	31	0.1171	1974078	2.9069
1,00,001 and above	37	0.1397	39684988	58.4383
TOTAL	**26,483**	**100**	**67909215**	**100**

xii. Shareholding pattern as on 31st March 2018



xiii. Categories of Shareholding as on 31st March 2018

	Category	No. of Shares Held	Percentage of Shareholding
A	**Promoter's holding**		
	Promoter and Promoter group		
a.	- Individual/ HUF	2,23,65,140	32.9339
b.	- Bodies Corporate	83,55,858	12.3045
	Sub-Total (A)	**3,07,20,998**	**45.2384**

	Category	No. of Shares Held	Percentage of Shareholding
B	**Public Shareholding**		
	Institutional Investors		
a.	Mutual Funds and UTI	-	-
b.	Banks, Financial Institutions and Insurance Companies	8,29,461	1.2214
c.	Central/State Govt. Institutions/Non- government institutions	-	-
d.	Foreign Portfolio Investors	70,000	0.1031
	Non- Institutional Investors		
e.	Individuals	2,68,02,631	39.4683
f.	Hindu Undivided Family	24,62,204	3.6257
g.	Non Resident Indians (Non- Repat)	1,80,590	0.2659
h.	Non Resident Indians (Repat)	3,91,408	0.5764
i.	Clearing Member	21,66,583	3.1904
j.	Bodies Corporate	42,14,442	6.2060
k.	Others	70,898	0.1044
	Sub-Total (B)	**3,71,88,217**	**54.7616**
	GRAND TOTAL (A+B)	**6,79,09,215**	**100.00**

xiv. Dematerialization of shares & Liquidity:

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.

As on 31st March, 2018 total **6,77,41,103** Equity shares constituting 99.75% of the issued, subscribed and paid up share capital of the Company are held in dematerialised form and 1,68,112 Equity share constituting 0.25% of the issued, subscribed and paid up share capital of the Company are held in physical form. The Company's shares were regularly traded on the National Stock Exchange of India Limited and BSE Limited. 100% of the holding of the Promoters and Promoters Group are in Dematerialised Form.

Details of shareholding of the Company in dematerialised and physical Mode are as under:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	14,438	5,28,15,753	77.77%
CDSL	11,723	1,49,25,350	21.98%
Total	**26,161**	**6,77,41,103**	**99.75 %**
Physical Mode	322	1,68,112	0.25%
Grand Total	**26,483**	**6,79,09,215**	**100%**

xv. 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 2018.

No warrants are outstanding as at 31st March 2018.

xvi. Transfer of Shares to Investors Education and Protection Fund Authority:

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholders for a period of 7 (seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

64,497 Equity Shares of 213 Shareholders transferred to the Demat Account of IEPF, can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF on June 22nd 2017, to take immediate action in the matter.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Unpaid / Unclaimed Dividend:

During the year under review, the Company has transferred Rs. 3,53,241 (Rupees Three Lacs Fifty Three Thousand two Hundred and Forty One Only) to Investor Education and Protection Fund being an Unpaid / Unclaimed Dividend for the Financial Year 2009-10.

xvii. Plant Locations are as under:

Thane	Plot No. F – 5, Road No. 28, Wagle Industrial Estate, Thane – 400 604, Maharashtra
Jalgaon	**Unit I** N-104, MIDC Area, Mehrun, Jalgaon – 425 003, Maharashtra **Unit II** Gat No. 114, Umala, Aurangabad Road, Jalgaon- 425003 Maharashtra.
Vadodara	Plot No.519-521, Asoj, Vadodara- Halol Highway, Vadodara, Gujarat – 391510
Surendra Nagar	Survey No. 20 & 40, Village Fatepur, Taluka Dasada, Dist. Surendra Nagar, Gujarat - 382755

xviii. 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 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083 Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in	To their respective Depository Participant
2.	**Head 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: ganesh.tawari@emco.co.in	

9. CEO/CFO CERTIFICATION:

Certification from Mr. Rajesh S Jain, Chairman (Whole Time Director) and Mr. Ganesh Tawari, Chief Financial Officer and Company Secretary, pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for Financial Year 2017-18 was placed before the Board at its meeting held on 30th May, 2018 and also form part of this Annual Report.

10. DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Rajesh S Jain, Chairman of the EMCO Limited hereby declare that all the Board members and Senior Managerial Personnel have affirmed for the year ended 31st March 2018 compliance with the Code of Conduct of the Company laid down for them pursuant to Regulation 17 (5) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

On behalf of the Board of Directors
For EMCO LIMITED

Place: Mumbai.
Date: May 30, 2018

Sd/-
Rajesh S. Jain
Chairman
(DIN: 00005829)

CEO/CFO certification:

We the undersigned, in our capacities as Whole Time Director and Chief Financial Officer & Company Secretary of the Company certify that:

a) We have reviewed financial statements and the cash flow statement for the year ended 31.03.2018 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the company's affairs and are in compliance with Indian Accounting Standards, applicable laws and Regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) 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 financial reporting.

Yours faithfully,

Sd/-	Sd/-
Rajesh S. Jain	**Ganesh Tawari**
WTD & Chairman	**Chief Financial Officer& Company Secretary**
(DIN: 00005829)	**ICSI Membership No.:A12896**

Place: Mumbai
Date: May 30, 2018

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

EMCO Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with EMCO Limited ('the Company').

2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.

9. We 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 Chaturvedi & Shah
Chartered Accountants
(Registration No. 101720W)

Sd/-
Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai, 30th May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of EMCO Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **EMCO Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the standalone financial position of the Company as at 31st March, 2018, and its loss (standalone financial performance) including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

As stated in Note no. 48 of the standalone financial statements, Company has incurred operational losses resulting into erosion of considerable net worth. As at the year end, Company has overdrawn credit facilities including interest of Rs. 50,255.37 Lakhs and other borrowings of Rs. 5,830.77 Lakhs that are due for repayment along with interest payable on such borrowings of Rs. 735.94 Lakhs. This factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, Company has approached its lenders to restructure the debts, which along-with the sale of its non-core assets will result into improved liquidity and profitability as stated in the said note and therefore, the management is of the view that going concern accounting is appropriate. Our opinion is not modified in respect of the same.

Emphasis of Matter

Attention is invited to following notes of Standalone Financial Statements:

a) Note no. 9(a) of standalone financial statements in respect of the outstanding dues and liquidated damages / deduction made by customers aggregating to Rs. 12,109.75 Lakhs, which are carried as Trade Receivables. The company had filed legal case against the customers for the recovery of the same. Pending outcome of the matter which is presently unascertainable, no adjustments have been made in the statement.

b) Note no. 9(b) of standalone financial statements relating to uncertainties relating on recoverability of trade receivables Rs. 14,328.31 Lakhs, as at 31st March 2018, raised in the earlier years in respect of supplies or projects closed or substantially completed and where the claims are currently under negotiations and discussions with the customers. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the statement.

c) Note no. 49 of standalone financial statements relating to inventory of Rs. 2,491.62 Lakhs as at 31st March, 2018 which are lying unutilised for a considerable period of time. Management has carried out the technical evaluation and is of the opinion that these inventories are in good conditions and can be utilised in projects in future. We have not carried out physical verification of the materials lying at various project sites and have relied on the confirmations given by site in-charge.

d) Note no. 50 of standalone financial statements relating to revenues of Rs. 5,793.92 Lakhs recognised in earlier years under the percentage completion method which are yet to be billed as per the contractual terms and are considered as good of recovery as stated in the note.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

   e) The matters described under the Material Uncertainty Related to Going Concern and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 44 to the standalone financial statements.

      ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, May 30, 2018

"Annexure A" to the Independent Auditors' Report of even date on the Standalone Financial Statements of EMCO Limited

(Referred to in Paragraph 1, under 'Report on other legal and regulatory requirements" section of our report of even date.)

i) In respect of its fixed assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and the title deeds / lease deeds and other records examined by us, we report that the title deeds / lease deeds in respect of all the immovable properties of lands which are freehold, immovable properties of land that have been taken on lease and disclosed as fixed assets in the standalone financial statement and buildings are held in the Company's name or in the Company's erstwhile name as at the balance sheet date except freehold land and buildings situated at Baroda and Rajkot having gross carrying value of Rs.21.02 lacs as at balance sheet date which are in the name of Urja Engineers Limited, the transferor company, which got amalgamated in to the Company.

ii) In respect of Inventories:

As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii) The Company has granted unsecured loans to two wholly owned subsidiaries covered in the register maintained under Section 189 of the Act. The terms and conditions of the grant of such loans are not prejudicial to the interest of the company except in case of one subsidiary, company has given interest free loan. There is no schedule of repayment of principal and are repayable on demand. Also, there is no stipulation as to date of payment of interest. In view of this, question of overdue does not arise.

iv) In respect of loans, investments, guarantees and security given by the Company:

a) Company has not directly or indirectly advanced loan to the persons or given guarantees or securities in connection with the loan taken by persons covered under section 185 of the Act.

b) According to the information and explanations given to us, the activity of the Company falls under the definition of infrastructural facilities as defined under explanation to section 186 of the Act. Since section 186 of the Act is not applicable to such companies, the requirement of clause (iv)(b) of paragraph 3 of the Order is not applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of Section 148 of the Act applicable in respect of certain activities undertaken by the company and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory dues :

a) According to the records of the Company, there have been delays in depositing undisputed statutory dues of Tax Deducted at Source, Sales Tax, VAT, Service Tax, Goods and Services Tax, LBT, Excise Duty with appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues of income tax, custom duty, Provident Fund, ESIC and other material statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the records of the Company and the information and explanations given to us, the disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess that have not been deposited with appropriate authorities are as under:

Name of Statute	Nature of Dues	Amount (Rupees in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	West Bengal VAT	87.74	2007-08 & 2009 -10	Joint Commissioner of Sales Tax, Behala Circle
Sales Tax Act	Jharkhand VAT	195.61	2008-09 & 2010 -11	Deputy Commissioner of Commercial Tax , Jharkhand
Sales Tax Act	Rajasthan VAT	703.11	2011-12 & 2012 -13	Rajasthan Tax Board, Ajmer.
Sales Tax Act	Maharashtra VAT	172.73	2011-12	Joint Commissioner, Mumbai – IV
Sales Tax Act	Uttar Pradesh VAT	230.58	2010 -11 & 2012 -13	Additional Commissioner of Commercial Tax, Lucknow

Name of Statute	Nature of Dues	Amount (Rupees in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Penalty	6.98	2007-08	Customs, Excise and Service Tax Appellate, Mumbai
Central Excise Act	Excise Duty	1,092.38	November 2001 to May 2015	Customs, Excise and Service Tax Appellate, Mumbai
Central Excise Act	Penalty & Interest	170.99	2009-10	Customs, Excise and Service Tax Appellate, Mumbai
Central Excise Act	Excise Duty	1,203.10	April 2009 to March 2017	Customs, Excise and Service Tax Appellate, Vadodra
Central Excise Act	Excise Duty	77.16	April 2011 to March 2015	Commissioner (Appeals) , Central Excise and Customs , Mumbai
Central Excise Act	Excise Duty	174.94	April 2010 - July 2015	Commissioner (Appeals) , Central Excise and Customs , Nasik
Central Excise Act	Excise Duty	117.12	November 2015-June 2017	Commissioner (Appeals) , Central Excise and Customs , Vadodra
Central Excise Act	Customs Duty	82.01	April 2014	Principal Commissioner of Customs , JNPT Navi Mumbai
Income Tax Act	Income Tax	41.29	Ass. Yr. 2010-11 to 2014-15	Commissioner of Income Tax (Appeals), Thane
Income Tax Act	Income Tax	0.42	2009-10	Income Tax Appellate Tribunal
Service Tax	Service Tax and Penalty	88.57	Jan 2005 -June 2006	Commissioner (Appeals), Central Excise and Customs, Vadodra
Service Tax	Service Tax ,Interest and Penalty	84.02	Jan 2007- Oct 2010	Commissioner (Appeals), Central Excise, Mumbai Zone-I
Service Tax	Service Tax ,Interest and Penalty	17.01	October 2013 - February 2014	Customs Excise & Service Tax Appellate Tribunal
Service Tax	Penalty	4.30	Aug 2006 to Mar 2010	Customs Excise & Service Tax Appellate Tribunal

viii) In our opinion and according to the information and explanations given to us, the Company has not delayed in repayment of loans to a financial institution or government or dues to debenture holders of the company. The Company has delayed in repayment of dues to banks during the year. The lender wise details are tabulated as under:

Name of the Lender	Amount (Rupees in Lakhs)	Delay in Days	Remarks, if any
Andhra Bank	329.35	1 to 346	Term loan
Bank of India	241.64	1 to 334	Term loan
Dena Bank	2,408.70	1 to 365	Term loan
Union Bank of India	782.45	1 to 274	Term loan
Federal Bank	97.23	1 to 204	Term loan
Canara Bank	135.12	1 to 195	Term loan
Axis Bank	46.21	1 to 78	External Commercial Borrowing
Dena Bank	12,822.34	-	Overdrawn Working Capital
State Bank of India	4,556.53	-	Overdrawn Working Capital
Union Bank of India	15,295.21	-	Overdrawn Working Capital
Andhra Bank	2,246.07	-	Overdrawn Working Capital
Bank of India	3,631.17	-	Overdrawn Working Capital
Canara Bank	303.18	-	Overdrawn Working Capital
Kotak Mahindra Bank	261.67	-	Overdrawn Working Capital
Federal Bank	1,867.51	-	Overdrawn Working Capital

ix) The company did not raise any money by way of Initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, May 30, 2018

"Annexure B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of EMCO Limited

(Referred to in paragraph 2(g), under Report on other legal and regulatory requirements" section of our report of even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of **EMCO Limited** ("the company") as of 31st March, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, May 30, 2018

Balance Sheet as at 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at 31st March 2018	As at 31st March 2017
I. ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant & Equipment	2(a)	20,730.96	21,405.33
(b) Capital work in progress		226.18	352.82
(c) Intangible assets	2(b)	1,140.05	1,608.41
(d) Financial Assets			
(i) Investments in Subsidiaries	3(a)	11,137.29	11,137.29
(ii) Investments	3(b)	979.39	987.14
(iii) Loans	4	8.50	7.48
(iv) Others	5	272.00	282.57
(e) Deferred Tax Asset (net)	6	10,573.86	3,336.96
(f) Other Assets	7	62.38	133.66
Sub-Total of Non Current Assets		45,130.61	39,251.66
2 CURRENT ASSETS			
(a) Inventories	8	16,258.06	14,022.11
(b) Financial Assets			
(i) Trade receivables	9	56,934.32	64,038.18
(ii) Cash & Cash equivalents	10	1,119.54	1,836.84
(iii) Other bank balances	10	387.78	1,252.78
(iv) Loans	11	14,288.22	13,631.49
(v) Others	12	136.77	338.34
(c) Tax Asset (net)	13	2,126.97	1,789.49
(d) Other Assets	14	26,309.80	31,650.89
Sub-Total Current Assets		117,561.46	128,560.12
Total - ASSETS		162,692.07	167,811.78
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	1,358.19	1,355.52
(b) Other Equity	16	29,302.43	45,280.03
Sub-Total Equity		30,660.62	46,635.55
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	17	2,268.65	7,795.79
(b) Provisions	18	71.96	94.62
Sub-Total Non Current Liabilities		2,340.61	7,890.41
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	82,754.67	83,435.32
(ii) Trade Payables	20	18,203.17	17,797.41
(iii) Other Financial liabilities	21	16,461.35	3,495.19
(b) Other Current Liabilities	22	11,957.68	8,178.07
(c) Provisions	23	313.97	379.83
Sub-Total Current Liabilities		129,690.84	113,285.82
Total - EQUITY AND LIABILITIES		162,692.07	167,811.78
Significant accounting policies and notes on financial statements	1 to 54		

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Mumbai, 30th May, 2018

Statement of Profit & Loss for the Year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	Year ended 31st March 2018	Year ended 31st March 2017
INCOME			
Revenue from operations (gross)	25	34,993.25	86,737.84
Other Income	26	5.63	54.31
Total Revenue		34,998.88	86,792.15
EXPENDITURE			
Cost of materials and Components consumed and bought outs	27	27,569.30	35,492.84
Purchases of Stock in Trade	27	4,209.89	25,004.08
Changes in inventories of finished goods and work-in-progress	28	(1,109.82)	3,883.37
Excise Duty		394.97	2,603.09
Employee benefit expense	29	3,713.20	4,366.13
Other expenses	30	8,281.33	7,431.77
Finance costs (net)	31	13,559.49	12,056.77
Depreciation and amortisation	2	1,672.22	1,806.82
Total Expenses		58,290.58	92,644.87
Profit Before Exceptional Items and tax		(23,291.70)	(5,852.72)
Exceptional Item	32	-	(3,919.58)
Profit before tax		(23,291.70)	(9,772.30)
Tax Expense			
Deferred Tax	24	(7,269.46)	(2,887.47)
Profit for the year		(16,022.24)	(6,884.83)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
a) Remeasurement of post employment benefit obligations		(94.05)	6.50
b) Income Tax on above		(32.55)	2.25
Total other comprehensive income		(61.50)	4.25
Total Comprehensive Income for the year		(15,960.74)	(6,889.08)
Basic earnings per share in ₹ on share of face value ₹ 2 fully paid up	33	(23.63)	(10.18)
Diluted earnings per share in ₹ on share of face value ₹ 2 fully paid up		(23.63)	(10.18)
Significant accounting policies and notes on financial statements	1 to 54		

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Sd/-
R. S. Jain
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Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Mumbai, 30th May, 2018

Notes to Standalone Financial Statements for the year ended 31st March 2018

Statement of Changes in Equity for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

(a) Equity share capital

	No. of Shares	Amount
Balance as at 1 April 2016	67,575,885	1,351.52
Changes in equity share capital	199,998	4.00
Balance as at 1 April 2017	67,775,883	1,355.52
Changes in equity share capital	133,332	2.67
Balance as at 31 March 2018	67,909,215	1,358.19

(b) Other Equity

Particulars	Reserves and Surplus						Statement of other comprehensive Income	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Stock options outstanding	General Reserve	Retained earnings	Remeasurement of the net defined benefit Plans	
Balance as at 1 April 2016	**1,988.94**	**4.50**	**28,612.76**	**81.28**	**5,012.43**	**16,420.15**	**(2.65)**	**52,117.42**
Total Comprehensive								
Profit for the year	-	-	-	-	-	(6,884.83)		(6,884.83)
Other comprehensive income for the year	-	-	-	-	-	-	(4.25)	(4.25)
Transactions with owners of the company								
Issue of equity shares	-	-	41.49	-	-	-	-	41.49
Employee stock option expense	-	-	-	10.21	-	-	-	10.21
Balance as at 1 April 2017	**1,988.94**	**4.50**	**28,654.25**	**91.49**	**5,012.43**	**9,535.32**	**(6.90)**	**45,280.03**
Total Comprehensive								
Profit for the year	-	-	-	-	-	(16,022.24)		(16,022.24)
Other comprehensive income for the year	-	-	-	-	-	-	61.50	61.50
Transactions with owners of the company								
Issue of equity shares	-	-	18.66	-	-	-	-	18.66
Employee stock option expense	-	-	-	(35.52)	-	-	-	(35.52)
Balance as at 31 March 2018	**1,988.94**	**4.50**	**28,672.91**	**55.97**	**5,012.43**	**(6,486.92)**	**54.60**	**29,302.43**

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

CASH FLOW STATEMENT for the year ended 31st March, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended 31st March 2018	Year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**(23,291.70)**	(9,772.30)
	Adjustments for		
	Depreciation and amortisation	**1,672.22**	1,806.82
	Unrealised foreign exchange Loss /(Gain)	**471.26**	(308.03)
	Interest expenses	**14,471.83**	13,021.81
	Interest Income	**(912.34)**	(965.04)
	Sundry balance written-off / (back) (net)	**(12.66)**	500.92
	Provision for doubtful debts	**1,517.81**	225.00
	Provision for Warranty	**250.02**	9.26
	Employee stock compensation expense	**(35.52)**	23.69
	Acturial (Gain)/loss on post employment benefit obligations	**61.50**	(4.25)
	Exceptional item	-	3,919.58
	Fair valuation of Investments	-	(6.24)
	(Gain)/Loss on sale of fixed assets (net)	**(0.21)**	140.37
	Operating Profit before Working Capital Changes	**(5,807.80)**	8,591.59
	Adjustments for		
	Trade and other payables	**4,088.60**	(9,808.75)
	Trade and other receivables	**10,701.18**	(7,009.70)
	Inventory	**(2,235.96)**	6,581.82
	Cash generated from Operations	**6,746.02**	(1,645.04)
	Direct taxes paid	**(304.92)**	(177.51)
	Net Cash Inflow / (Outflow) from Operating Activities	**6,441.10**	(1,822.55)
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Acquisition of PPE	**(587.37)**	(905.48)
	Sale proceeds of fixed assets	**12.46**	3,425.67
	Movement in other bank balances	**865.00**	(489.65)
	Purchase of Investments	**26.22**	(6.01)
	Purchase of Investments in subsidiaries	**(18.48)**	(18.48)
	Sale of Investments	-	6.07
	Movement in advance to subsidiaries & JV's	**(90.58)**	803.78
	Net Cash inflow / (outflow) from Investing Activities	**207.25**	2,815.90

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share	**21.33**	32.01
Proceeds of Long term borrowings	**264.60**	1,008.09
Repayment of Long term borrowings	**(2,008.71)**	(5,729.55)
Increase/(decrease) in short term borrowings	**(683.62)**	18,058.04
Interest expense	**(4,955.71)**	(12,753.06)
Dividend paid during the year including dividend tax	**(3.54)**	(2.77)
Net Cash inflow / (outflow) from Financing Activities	**(7,365.65)**	612.76
Net increase in Cash and Cash Equivalents	**(717.30)**	1,606.11
Cash and Cash Equivalents at the beginning of the year	**1,836.84**	230.73
Cash and Cash Equivalents at the end of the year	**1,119.54**	1,836.84
Reconciliation of the Cash & Bank		
Cash and cash equivalents (As per Note 10)	**1,507.32**	3,089.62
Less- Margin Money Deposit against Bank Guarantee	**384.96**	1,246.42
Less- Unclaimed Dividend Account	**2.82**	6.36
Cash and Cash Equivalents at the end of the year	**1,119.54**	1,836.84

Notes:-

1. The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in Liability arising from financing activities.

Particulars	Non current Borrowings	Current maturities of long term borrowings	Current Borrowings	Total
As at April 1, 2017	7,795.79	3,269.21	83435.32	**94,500.32**
Cashflow	(1,744.11)		(683.62)	**(2,427.73)**
Non cash transaction	(3,783.03)	3,610.76	2.97	**(169.30)**
As at March 31, 2018	**2,268.65**	**6,879.97**	**82754.67**	**91,903.29**

Non cash transaction

4. Changes arising in non-current borrowings of ₹ 172.29 lakhs is on account of foreign exchange fluctuation.

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Notes to the Standalone Financial Statements for the year ended 31 March 2018

1A. General information

EMCO Limited ('the Company') is primarily engaged in the power industry, the company manufactures range of transformers. The Company's products include transformers, substation and transmission towers and lines which constitutes of generation, transmission, distribution and manufacture of power equipment viz Generation Equipment and T&D Equipment.

The company is a public limited company incorporated and domiciled in India and has its registered office at N-104, MIDC Area, Jalgaon 425003, Maharashtra.

1B. Significant Accounting policies

(a) **Basis of preparation**

(i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS), including the rules notified under the relevant provisions of the Companies Act, 2013.

(ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
2. Defined benefit plans – plan assets measured at fair value
3. Employee stock option plans measured at fair value

(b) **Property, plant and equipment/ Capital Work In Progress**

i. **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The assets acquired on Hire Purchase basis have been capitalised at the gross value and interest thereon is charged to Statement of profit and loss.

Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. **Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except following assets which are depreciated over period of its estimated useful life:

Asset	Estimated Useful Life
Porta Cabin	5 Years
Form Box	5 Years
Templates	5 Years

For these classes of assets, based on technical advice, the management believes that the useful lives of following assets best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Asset	Estimated Useful Life
Solar Plant	25 Years
CNC Machines	25 Years
Cranes	25 Years
Fabrication Machines	25 Years
Ovens	25 Years
Testing Equipments	25 Years
Winding	25 Years

Leasehold land and improvements are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(c) **Intangible assets**

These are amortised over their useful life, not exceeding five years.

Development costs for new design is amortised over a period of 5 years.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific to which it relates.

(d) **Inventories**

Raw Materials, Stock in Process, Stores and Spares are valued at lower of cost and net realizable value and net of recoverable taxes. Finished goods are valued at cost, or Market Value / Net Realisable Value, whichever is less. Cost is determined on a Moving Weighted Average basis. In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable taxes. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) **Revenue recognition**

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are inclusive of excise duty and exclusive of taxes collected on behalf of government.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Long term contracts

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.

Dividend income

Dividend is recognized as revenue when the right to receive payment has been established.

Interest income

For all interest bearing financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

(f) **Foreign currency translation**

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The standalone financial statements are presented in Indian rupee (INR), which is the company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non – Monetary foreign currency items are carried at cost. The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognized in the Statement of profit and loss, except in case of long term liabilities taken before 31-Mar-2015, where they relate to acquisition of fixed assets, in which case they are adjusted in carrying cost of fixed assets

(g) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity’s expected purchase, sale or usage requirements.

i. **Financial assets**

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

- All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. Further investment in subsidiaries, joint venture and associates are carried at cost. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

  Investments in subsidiaries, joint venture and associates are stated at cost. Cost of investment in subsidiaries Emco Overseas Power Ltd and Emco Power Ltd are stated at fair value on transition date i.e. 31.03.2016 which is considered as deemed cost as per Ind AS 101 – First Time Adoption.

De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. **Financial liabilities**

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized. \

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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.

(h) **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.

(i) **Employee benefits**

a) **Short term employee benefits**

Short term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave, are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

b) **Share-based payment transactions**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

c) **Defined contribution plans**

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss

The Company's contribution towards provident fund, superannuation fund and employee state insurance scheme for certain eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

d) **Defined benefit plans**

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

(j) **Operating lease**

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/ income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

(k) **Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in OCI.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset only if:

a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(l) **Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

(m) **Provisions , Contingent Liabilities and Contingent Assets**

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(n) **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;

fair value of any asset or liability resulting from a contingent consideration arrangement; and

- fair value of any pre-existing equity interest in the subsidiary.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

Goodwill arising on acquisition is recognised as an asset, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities recognised and contingent liabilities assumed.

Goodwill is not subject to amortisation but is tested for impairment annually along with the Cash Generating Unit ('CGU') to which it is allocated. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Statement of Profit and Loss on disposal.

In the case of bargain purchase, the resultant gain is recognised as Capital Reserve.

(o) **Research and development**

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

(p) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) **Earnings per share**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(r) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(s) **Current vs non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company's normal operating cycle in respect of operations relating to the Sub-station and Transmission Line may vary from project to project depending upon the size of the project, type of project, project complexities and related approvals. Operating cycle for all other business is based on twelve months period. Assets and liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

(t) **Key estimates and assumptions**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit or loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized.

  Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

  The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

- Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(u) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Chairman assesses the financial performance and position of the Company, and makes strategic decisions. Chairman is identified as being the chief operating decision maker for the Company.

The CODM reviews performance of its only reportable segment i.e. Transmission and Distribution Segment within Power Sector on an overall basis. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind-AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity-wide disclosures are given under note 44.

(w) **Recent accounting pronouncements:**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, the Ministry of Corpoarte Affairs (the MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the real asset,expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1,2018, the company has evaluated effect on this on financial statements and the impact is not material.

As Ind AS 115, Revenue from contract with customers: on March 28,2018,the MCA notified Ind AS 115. The core principal of new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the Nature, Amount, timing,and uncertainty of revenue and cashflows arising from the entity's contracts with customer.

The standard permits two possible method of transition:

→ Retrospective Approch - under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting policies, Change in accounting estimates and Errors.

→ Retrospective with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch -up approach)

The effective date For adoption of Ind AS 115 is financial period beginning on or after April, 1, 2018.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition Method and accordingly, Comparatives For the year ending or ended March 31,2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to the Standalone Financial Statements for the year ended 31 March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

2(a) Property Plant and Equipment - As at March 31, 2018

		Gross block (at cost)				Depreciation/Amortisation				Net block	
	Property plant and equipment	As at 1st April 2017	Additions/ Adjustments (3)	Deductions	As at 31st March 2018	As at 1st April 2017	For the Year	On Deductions	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
(A)	**TANGIBLE ASSETS**										
	Freehold land	4,271.15	-	-	4,271.15	-	-	-	-	4,271.15	4,271.15
	Lease Hold Land	10.28	-	-	10.28	-	-	-	-	10.28	10.28
	Buildings (1)	5,501.16	64.09		5,565.24	405.66	206.95	-	612.60	4,952.64	5,095.50
	Plant & Equipment	13,166.05	457.25	61.38	13,561.92	1,663.04	873.33	53.68	2,482.69	11,079.22	11,503.00
	Furniture & Fixtures	335.73	-	-	335.73	180.26	57.60	-	237.86	97.88	155.48
	Vehicles	271.55	15.35	90.86	196.04	91.34	43.16	86.32	48.18	147.86	180.21
	Office Equipments	68.86	0.29	-	69.15	32.37	5.19	-	37.56	31.59	36.49
	Air craft (2)	178.98	-	-	178.98	25.75	12.88	-	38.63	140.35	153.22
	Total (A)	**23,803.76**	**536.97**	**152.24**	**24,188.49**	**2,398.43**	**1,199.10**	**140.00**	**3,457.53**	**20,730.96**	**21,405.34**
	Capital work in progress (B)	352.82	-	126.64	226.18	-	-	-	-	226.18	352.82
	TOTAL (A+B)	**24,156.58**	**536.97**	**278.88**	**24,414.67**	**2,398.43**	**1,199.10**	**140.00**	**3,457.53**	**20,957.14**	**21,758.15**

	Property plant and equipment	Gross block (at cost)				Depreciation/Amortisation				Net block	
		As at 1st April 2016	Additions/ Adjustments (3)	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017	As at 1st April 2016
(A)	**TANGIBLE ASSETS**										
	Freehold land	4,373.15	-	102.00	4,271.15	-	-	-	-	4,271.15	4,373.15
	Lease Hold Land	21.60	-	11.33	10.28	0.81	0.40	1.21	-	10.28	20.80
	Buildings (1)	5,399.36	101.80	-	5,501.16	201.63	204.03	-	405.66	5,095.50	5,197.73
	Plant & Equipment	12,860.02	382.14	76.11	13,166.05	804.96	867.13	9.05	1,663.04	11,503.00	12,055.06
	Furniture & Fixtures	334.87	0.87	-	335.73	91.31	88.94	-	180.26	155.48	243.55
	Vehicles	238.00	55.17	21.61	271.55	59.53	42.55	10.73	91.34	180.21	178.48
	Office Equipments	64.37	4.50	-	68.86	24.18	9.31	1.11	32.37	36.49	40.18
	Air craft (2)	178.98	-	-	178.98	12.88	12.88	-	25.75	153.22	166.10
	Wind Energy Generators	3,726.33	-	3,726.33	-	233.05	116.20	349.25	-	-	3,493.28
	Total (A)	**27,196.69**	**544.47**	**3,937.39**	**23,803.76**	**1,428.35**	**1,341.44**	**371.36**	**2,398.43**	**21,405.33**	**25,768.34**
	Capital work in progress (B)	242.06	210.81	100.05	352.82	-	-	-	-	352.82	242.06
	TOTAL (A+B)	**27,438.75**	**755.28**	**4,037.44**	**24,156.58**	**1,428.35**	**1,341.44**	**371.36**	**2,398.43**	**21,758.15**	**26,010.40**

1. Building includes 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.
2. Air Craft represents company's 15% share in assets jointly owned by Company.
3. Additions includes additions / deductions on account of exchange differences ₹ 6.15 lakhs (₹ 189.58 lakhs) on Long Term borrowings pertaining to acquisition of fixed assets.
4. For details of assets given as security against borrowings, Refer Note 17 & Note 19.

(All amounts in ₹ Lakhs, unless otherwise stated)

2(b) Intangible Asset - As at March 31, 2018

	Gross block (at cost)				Depreciation/Amortisation					
Intangible assets (other than internally generated)	**As at 1st April 2017**	**Additions/ Adjustments**	**Deductions**	**As at 31st March 2018**	**As at 1st April 2017**	**For the Year**	**On Deductions**	**As at 31st March 2018**	**As at 31st March 2018**	**As at 31st March 2017**
Computer Software	88.61	4.75	-	93.36	40.94	15.99	-	56.93	36.43	47.67
Technical Know-how and Licenses	1,135.16	-	-	1,135.16	615.01	457.12	-	1,072.13	63.02	520.15
New product design and development	1,342.27	-	-	1,342.27	301.67	-	-	301.67	1,040.59	1,040.59
Total (A)	**2,566.03**	**4.75**	-	**2,570.78**	**957.62**	**473.11**	-	**1,430.73**	**1,140.05**	**1,608.41**
Intangible assets under development (B)	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)	**2,566.03**	**4.75**	-	**2,570.78**	**957.62**	**473.11**	-	**1,430.73**	**1,140.05**	**1,608.41**

	Gross block (at cost)				Depreciation/Amortisation				Net block	
Intangible assets (other than internally generated)	**As at 1st April 2016**	**Additions/ Adjustments**	**Deductions/**	**As at 31st March 2017**	**As at 1st April 2016**	**For the Year**	**Deductions**	**As at 31st March 2017**	**As at 31st March 2017**	**As at 1st April 2016**
Computer Software	56.74	31.86	-	88.61	27.18	13.75	-	40.94	47.67	29.56
Technical Know-how and Licenses	312.91	822.25	-	1,135.16	163.37	451.64	-	615.01	520.15	149.54
New product design and development	1,342.27	-	-	1,342.27	301.67	-	-	301.67	1,040.59	1,040.59
Total (A)	**1,711.92**	**854.11**	-	**2,566.03**	**492.23**	**465.39**	-	**957.62**	**1,608.41**	**1,219.69**
Intangible assets under development (B)	571.32	-	571.32	-	-	-	-	-	-	571.32
TOTAL (A+B)	**2,283.24**	**854.11**	**571.32**	**2,566.03**	**492.23**	**465.39**	-	**957.62**	**1,608.41**	**1,791.01**

						As at 31st March 2018	As at 31st March 2017
3	**NON CURRENT INVESTMENTS (Unquoted)**						
	(a) Investment in Subsidiaries (stated at cost)						
	Number		Face Value per unit	**Investment in Equity Instrument (Unquoted)**			
				Investment In Subsidiary			
	10 (10)	SGD	1	Emco Overseas Pte Limited		**9,190.93**	9,190.93
	79,80,235 (79,80,235)	₹	10	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)		**537.87**	537.87
	50,000 (50000)	₹	10	Emco Renewable Energy 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
	49,950 (49,950)	₹	10	Emco 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
	4,88,600 (4,88,600)	₹	10	Shekhawati Transmission Services Company Limited		**1,380.01**	1,380.01
	100 (100)	AED	1,000	Emco Global DMCC		**18.48**	18.48
						11,137.29	11,137.29

(All amounts in ₹ Lakhs, unless otherwise stated)

						As at 31st March 2018	As at 31st March 2017
(b)	**Investments Carried At Fair Value Through Profit & Loss**						
	Number		Face Value per unit	**(i)**	**Investment in Equity Instrument (Quoted)**		
	3,600 (3,600)	₹	10		Morarka Finance Limited	**1.22**	0.83
				(ii)	**Investment in Equity Instrument (Unquoted)**		
	1,667 (1667)	₹	10		Cozy Properties Private Limited	**131.57**	139.70
				(iii)	**Investment in Non-Cumulative Preference Shares (Unquoted)**		
	8,466 (8,466)	₹	10		Cozy Properties Private Limited	**846.60**	846.60
						979.39	987.13
						12,116.68	12,124.42
					Aggregate Amount of Quoted Investment	**1.22**	0.83
					Aggregate Market Value of Quoted Investment	**1.22**	0.83
					Aggregate Amount of Unquoted Investment	**12,115.46**	12,123.59

		As at 31st March 2018	As at 31st March 2017
4	**Non-current Financial assets - Loans and advances**		
	Unsecured considered good		
	Loans and Advances to Related Parties (Refer Note 43)	**8.50**	7.48
5	**Other non-current Financial assets**		
	Security Deposits	**110.39**	119.46
	Rent Deposit		
	- To Related Party (Refer Note 43)	**100.00**	100.00
	- To Others	**61.61**	63.11
		272.00	282.57
6	**Deferred Tax Asset**		
	Mat Credit Entitlement	**501.08**	501.08
	Deferred Tax-Asset (Net) (Refer Note 35)	**10,072.78**	2,835.87
		10,573.86	3,336.95
7	**Other Non current assets**		
	Capital Advances	**62.38**	62.38
	Prepaid Expenses	**-**	71.28
		62.38	133.66
8	**Inventories**		
	Raw Materials & Components	**10,545.56**	9,365.46
	Work-in-progress	**4,791.57**	3,681.75
	Finished Goods	**-**	-
	Store, Spares and Packing Material	**920.93**	974.89
		16,258.06	14,022.10
	For details of inventory given as security against borrowings, Refer Note 17 & Note 19.		
9	**Trade receivables**		
	Unsecured, Considered Good	**56,934.32**	64,038.16
	Doubtful	**7,030.11**	5,512.31
	Provisions for Doubtful Debts	**(7,030.11)**	(5,512.31)
		56,934.32	64,038.16

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes

a) Trade receivables include ₹ 12,109.75 lakhs(₹ 7,549.17 lakhs) due from customers on account of outstanding dues and liquidated damages and other deductions withheld by them. The company has taken legal action for recovery of above amounts. Management considers these amounts as good of recovery based on the legal advice.

b) Trade receivables include ₹ 14,328.31 lakhs(₹ 21,285.72 lakhs) outstanding as at 31st March 2018 in respect of the supplies or projects which have been closed or substantially completed. These receivables are due to retentions and claims arising mainly in respect of cost over-run due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

	As at 31st March 2018	As at 31st March 2017
10 Cash and cash equivalents		
a) Balance with Banks		
In Current Account	**1,117.68**	1,835.54
b) Cash on hand	**1.86**	1.30
	1,119.54	1,836.84
Bank Balance other than cash and cash equivalents		
a) Margin Money Deposit (Given as security for Bank Guarantee / LC)	**384.96**	1,246.42
b) Unclaimed Dividend Account	**2.82**	6.36
	387.78	1,252.78
	1,507.32	3,089.62
11 CURRENT FINANCIAL LOANS AND ADVANCES		
a) Loans and Advances to Related Parties (Refer Note 43)	**13,196.59**	12,887.39
b) Inter Corporate Deposits	**1,091.63**	744.10
	14,288.22	13,631.49
12 CURRENT FINANCIAL OTHER ASSETS		
a) Earnest Money Deposit	**8.04**	21.44
b) Current Security & Rent Deposits	**124.78**	124.78
c) Derivative Assets	**3.95**	192.12
	136.77	338.34
13 TAX ASSET		
Income Tax (net of provision)	**2,126.97**	1,789.49
	2,126.97	1,789.49
14 OTHER CURRENT ASSETS		
a) Advance to Suppliers	**7,572.02**	10,918.73
b) Indirect Tax Receivable	**7,059.93**	5,430.80
c) Prepaid Expenses	**418.53**	567.30
d) Contract Revenue in Excess of Billing	**10,217.13**	12,056.02
e) Other amounts recoverable in cash or kind for value to be received.*	**1,042.19**	2,678.04
	26,309.80	31,650.89

*It includes insurance claim receivable,imprest balance to site employees,export incentive receivable etc

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars		As at 31st March 2018	As at 31st March 2017
15	**Share Capital**			
a	**Authorised :**			
	Equity shares of ₹ 2 each		**7,000.00**	1,500.00
	35,00,00,000 (7,50,00,000,) Equity shares			
	Cumulative Redeemable Preference Shares of ₹ 100 each			
	5,00,000 (5,00,000) shares		**500.00**	500.00
	TOTAL		**7,500.00**	2,000.00
b	**Issued and Subscribed and Paid up:**			
	6,79,09,215 (6,77,75,883) Equity shares of ₹ 2 each fully paid up		**1,358.19**	1,355.52
	TOTAL		**1,358.19**	1,355.52
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		**31 March 2018**	31 March 2017
	Equity share :			
	Outstanding at the beginning of the year	Number	**67,775,883**	67,575,885
		Amount	**1,355.52**	1,351.52
	Equity Shares issued during the year pursuant to exercise of ESOPs	Number	**133,332**	199,998
		Amount	**2.67**	4.00
	Outstanding at the end of the year	Number	**67,909,215**	67,775,883
		Amount	**1,358.19**	1,355.52

d Terms / Rights attached to each classes of shares

1. Terms / Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e Shareholders holding more than 5% shares in the company is set out below:

Equity share	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	No of shares	No. of Shares	No of shares
		%		%
Rajesh Jain	**9,599,345**	**14.14**	9,599,345	14.16
Shailesh Jain	**6,299,340**	**9.28**	6,299,340	9.29
Zarco Realities Private Limited (Formely known as Emco Investment Private Limited)	**8,355,858**	**12.30**	8,355,858	12.33
Ratna Jain	**4,354,255**	**6.41**	4,354,255	6.42

(All amounts in ₹ Lakhs, unless otherwise stated)

g Shares reserved for issuance under Stock Option Plans of the Company

Paticulars	As at 31 March 2018	As at 31 March 2017
	No of shares	No of shares
ESOP 2006 Option XII	-	5,320
ESOP 2011 Option I	-	26,800
ESOP 2011 Option II	-	38,400
ESOP 2011 Option V	100,001	333,335
ESOP 2011 Option VI	-	100,000
ESOP 2011 Option VII	250,000	500,000
ESOP 2011 Option VIII	50,000	50,000
ESOP 2015 Option I	16,615	16,615
ESOP 2015 Option II	7,500	7,500
ESOP 2015 Option III	1,725,000	-

h Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company

	As at 31 March 2018	As at 31 March 2017
	Aggregate No of shares	Aggregate No of shares
Equity Shares:		
Issued under various Stock Option Plans of the Company	333,330	199,998

	Particulars	As at 31st March 2018	As at 31st March 2017
16	**OTHER EQUITY**		
	Capital Reserve		
	Balance as at the beginning and at the end of the year	1,988.94	1,988.94
	Capital Redemption Reserve		
	Balance as at the beginning and at the end of the year	4.50	4.50
	Securities Premium Account		
	Balance as at the beginning of the year	28,654.25	28,612.76
	Add: Received during the year	18.66	41.49
	Balance as at the beginning and at the end of the year	28,672.91	28,654.25
	Stock options outstanding		
	Employee stock options outstanding at the beginning of the year	91.49	81.28
	Less : Deferred employee compensation outstanding	35.52	(10.21)
	Closing Balance at the end of the year	55.97	91.49
	General Reserve		
	Balance as at the beginning and at the end of the year	5,012.43	5,012.43
	Other Comprehensive Income		
	Balance as at the beginning of the year	(6.90)	(2.65)
	Remeasurement of post employment benefit obligations	94.05	(6.50)
	Deferred tax on above	(32.55)	2.25
	Balance at the end of the year	54.60	(6.90)
	Surplus		
	Balance as at the beginning of the year	9,535.32	16,420.15
	Add : Profit(Loss) for the year	(16,022.24)	(6,884.83)
	Balance at the end of the year	(6,486.92)	9,535.32
		29,302.43	45,280.03

(All amounts in ₹ Lakhs, unless otherwise stated)

Capital reserve

The reserve created on account of issue of share warrants by the Company to the promoters.

Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Company on redemption of preference share capital.

Securities premium reserve

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

Stock options outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee stock option plan and the Employee Stock Grant Scheme which are unvested as on the reporting date

General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Retained earnings

Retained earnings includes the Company's cumulative earnings and losses respectively

			Non Current Portions		Current Maturities	
		Rate of Interest	**As at 31st March 2018**	As at 31st March 2017	**As at 31st March 2018**	As at 31st March 2017
17	**LONG TERM BORROWINGS**					
	SECURED LOANS					
a)	Vehicle Loans	9.36% - 10.50%	-	26.50	**26.50**	27.21
b)	Term Loans from Banks					
	i) Rupee Loan	BR+3.25% to BR+4.24%	**1,226.37**	5,181.66	**6,248.13**	2,697.62
		12%	-	1,000.00	-	-
	ii) Foreign currency Loan	LIBOR+4.5	**1,042.28**	1,587.63	**605.34**	544.38
			2,268.65	7,795.79	**6,879.97**	3,269.21
	Amount disclosed under 'Other Current Financial Liabilities' (Refer Note 21)				**(6,879.97)**	(3,269.21)
			2,268.65	7,795.79	-	-

<u>Nature of Security and Repayment Terms</u>

a) Vehicle Loans are secured by way of hypothecation on respective vehicles financed.

b) Term loan from banks referred in (b) (i) above Includes ₹ Nil Lacs (₹ 311.37 Lacs) loan which 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 current assets and movable fixed assets (plant, machinery equipments) pertaining to windmills.

c) Term loan from banks referred in (b) (i) above includes ₹ 7,474.50 Lakhs (₹ 8,567.91 Lakhs) loan which is secured by first charge basis (pari passu) by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders Solar farm and second charge (pari passu) by way of hypothecation on the Company's movable assets including current assets except assets exclusively financed by other lenders Solar farm. Further out of this working capital term loan ₹ 5,517.47 Lakhs (₹ 5,703.20 Lakhs) is secured by personal guarantee of promoter directors.

d) Term loan from banks referred in (b) (ii) above is secured on first charge basis by way of exclusive mortgage on Solar Project's land and all other immovable properties, present and future and also by way of hypothecation on solar project's all movable, present and future, all book debts, operating cash flows, receivables, commissions, revenues of what so ever nature and where ever arising out of Solar Project.

(All amounts in ₹ Lakhs, unless otherwise stated)

e)

Delay In Repayment of Term Loan as on 31-Mar-18	Period Of Delay (In Days)	Principal Due (In lakhs)	Interest Due (In lakhs)
Bank 1	1 to 274	690.00	92.45
Bank 2	1 to 365	2,406.25	2.45
Bank 3	1 to 195	99.00	36.12
Bank 4	1 to 334	215.63	26.02
Bank 5	1 to 204	65.63	31.61
Bank 6	1 to 346	238.13	91.23
Bank 7	1 to 78	40.54	5.67

f)

Delay In Repayment of Term Loan as on 31-Mar-17	Period Of Delay (In Days)	Principal Due (In lakhs)	Interest Due (In lakhs)
Bank 1	1 to 121	43.13	29.09
Bank 2	1 to 91	1,031.25	149.96
Bank 3	1 to 91	230.00	45.72
Bank 4	13	-	4.23

g)

Maturity Profile of Long Term Borrowings	0 - 1 Years	1-2 years	Beyond 3 years
Long Term Borrowings	6879.97	1655.64	613.01

			As at 31st March 2018	As at 31st March 2017
18	**PROVISIONS**			
	Provision for employee benefits			
	Provision for leave benefits (Refer Note 36)		**71.96**	94.62
			71.96	94.62
19	**SHORT TERM BORROWINGS**			
	From Banks	**Rate of Interest**		
	Secured			
	a) Working Capital Demand Loan	14.50%	**392.00**	392.00
	b) Cash Credit / Packing Credit	BR+3.25 to BR+6.4	**79,155.38**	70,089.48
	c) Acceptance		**3,207.29**	12,953.84
			82,754.67	83,435.32

Nature of Security and Repayment Terms

i) Working Capital Loans from banks referred in (a) (b) and (c) above and bank facilities mentioned in Note 19 (a) and (b) are secured on first charge basis (pari passu) by way of hypothecation on current assets of the Company such as raw Materials, stocks-in-process, finished goods, consumable stores and spares, book debts, outstanding and claims, receivable both present and future except book debts and receivables pertaining to solar farm which are exclusively financed by other lenders. Further the said working capital facilities are secured on second charge by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Solar farm.

ii) Working capital referred in (b) above is in excess of sanction limit by ₹ 41,409 Lakhs (₹ 32,080 Lakhs) as at year end.

iii) Working capital referred in (b) above is also secured by mortgage of 21 flats owned by the company

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017
20	**TRADE PAYABLES**		
	- Dues to micro and small enterprises	**714.34**	340.51
	- Others	**17,488.83**	17,456.90
		18,203.17	17,797.41

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

1	The principal amount remaining unpaid to supplier as at the end of accounting year	**714.34**	340.51
2	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	**58.78**	41.63
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.	**58.78**	41.63
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

		As at 31st March 2018	As at 31st March 2017
21	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Current Maturities of Long Term Borrowings (Refer Note No.17)	**6,879.97**	3,269.21
	Interest accrued but not due	**39.10**	195.44
	Interest accrued and due	**9,530.05**	-
	Unclaimed Dividends *	**2.82**	6.36
	Security Deposits	**9.41**	8.41
	Derivative liability	**-**	15.77
		16,461.35	3,495.19
	* These figures do not include any amounts due and outstanding to be credited to Investor education and protection fund		
22	**OTHER CURRENT LIABILITIES**		
	Statutory Liabilities	**145.63**	278.34
	Advance received against order from customers	**9,948.26**	5,572.72
	Billing in Excess of Contract Revenue	**89.16**	-
	Other Current Liabilities	**1,774.63**	2,327.01
		11,957.68	8,178.07
23	**PROVISIONS**		
	a) Provision for gratuity (Refer Note 36)	**114.65**	134.03
	b) Provision for leave benefits (Refer Note 36)	**16.93**	27.17
	c) Provision for warranties (Refer Note 45)	**182.39**	218.63
		313.97	379.83
24	**Tax Expense**		
	Deferred Tax (Refer Note 35)	**7,269.46**	2,887.47
		7,269.46	2,887.47

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended 31st March 2018	Year ended 31st March 2017
25	**REVENUE FROM OPERATIONS (GROSS)**		
	Sale of products	**33,160.30**	85,027.47
	Sale of services	**146.69**	231.09
	Other operating revenue	**1,686.26**	1,479.28
		34,993.25	86,737.84
26	**OTHER INCOME**		
	Other non operating income	**5.63**	53.24
	Profit on disposal of investment (net)	-	1.07
		5.63	54.31
27	**COST OF RAW MATERIAL CONSUMED**		
	Inventory at the beginning of the year	**9,365.47**	10,537.46
	Add : Purchases and other related expenses	**28,749.39**	34,320.85
	Less : Inventory at the end of the year	**10,545.56**	9,365.47
		27,569.30	35,492.84
	Add : Purchases of Stock in Trade	**4,209.89**	25,004.08
		31,779.19	60,496.92
28	**CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROCESS**		
	Inventories at the end of the year		
	Work - in - process	**4,791.57**	3,681.75
		4,791.57	3,681.75
	Inventories at the beginning of the year		
	Work - in - process	**3,681.75**	7,273.02
	Finished goods	-	292.10
		3,681.75	7,565.12
		(1,109.82)	3,883.37
29	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and Wages	**3,313.47**	3,837.53
	Contribution to Provident and other funds	**249.17**	303.32
	Employee stock option scheme	**(35.52)**	23.69
	Staff Welfare expenses	**186.08**	201.59
		3,713.20	4,366.13
30	**OTHER EXPENSES**		
	Stores and Packing Materials Consumed	**621.06**	794.75
	Power and Fuel	**383.30**	524.18
	Repair and Maintenance		
	- Machinery	**71.30**	144.17
	- Buildings	**90.71**	126.12
	Rent and Compensation	**151.93**	213.96
	Insurance Charges (Net)	**340.13**	313.15
	Rates and Taxes	**397.83**	136.17
	Travelling and Conveyance	**614.07**	709.46
	Freight (Net)	**518.99**	326.69
	Commission on Sales	**450.24**	119.34
	Legal and Professional Fees	**952.20**	728.72

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended 31st March 2018	Year ended 31st March 2017
	Auditors Remuneration	**68.98**	85.44
	Director's Sitting Fees	**7.21**	6.13
	Bank Charges, Guarantee Commission and Other Charges	**1,662.88**	1,473.44
	Loss on Disposal of Fixed Assets	-	140.37
	Warranty and After Sales Expenses	**250.02**	9.26
	Miscellaneous Expenses	**96.79**	49.24
	Other Establishment Expenses	**1,028.85**	1,240.26
	Net (Gain) / Loss from foreign currency transactions and translations	**(930.31)**	(7.76)
	Sundry Balance Written Off (Net)	**(12.66)**	500.92
	Provision for doubtful debts	**1,517.81**	225.00
	Less: Expenses/Overhead recovered/to be recovered	-	(427.24)
		8,281.33	7,431.77
	PAYMENT TO AUDITORS		
	Audit Fees	**67.58**	80.47
	Tax Audit Fees	-	3.50
	Certification and other matter	**0.35**	-
	Out of pocket expenses	**1.05**	1.47
		68.98	85.44
31	**FINANCE COST (net)**		
	Interest Cost		
	On Term Loans	**1,122.99**	1,393.09
	On Working Capital	**12,214.83**	10,099.01
	To Others	**1,019.02**	1,256.58
	Other Borrowing Cost	**114.99**	273.13
		14,471.83	13,021.81
	Less:		
	Interest from bank and others	**142.41**	180.04
	Interest from Related Parties (Refer Note 43)	**769.93**	785.00
		912.34	965.04
		13,559.49	12,056.77
32	**EXCEPTIONAL ITEM**	-	(3,919.58)
		-	**(3,919.58)**

Exceptional items for the year ended 31 March 2017, represent write off of Project Development Expenditure amounting to ₹ 3,060.15 Lakhs and write off of non-current loan in wholly owned subsidiary i.e. Emco Power Ltd amounting to ₹ 859.43 Lakhs.

(All amounts in ₹ Lakhs, unless otherwise stated)

33. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(All amounts in ₹ Lakhs, unless otherwise stated)

i. Profit attributable to Equity holders

	March 31, 2018	March 31, 2017
Profit/(Loss) attributable to equity holders:	(16,022.24)	(6,884.83)
Continuing operations	(16,022.24)	(6,884.83)
Discontinued operations	-	-
Profit/(Loss) attributable to equity holders of the parent for basic earnings	**(16,022.24)**	(6,884.83)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	**(16,022.24)**	(6,884.83)

ii. Weighted average number of ordinary shares

	March 31, 2018	March 31, 2017
Issued ordinary shares at April 1	67,775,883	67,575,885
Effect of shares issued for cash on 16-Nov-2017 & 29-Jan-18 under ESOP	36,164	84,931
Weighted average number of shares at March 31 for basic EPS	**67,812,047**	67,660,816
Effect of dilution:		
Share options	12,088	400,347
	67,824,135	68,061,163

Basic and Diluted earnings per share

	March 31, 2018	March 31, 2017
Basic earnings per share	(23.63)	(10.18)
Diluted earnings per share	(23.63)	(10.18)

34. Tax Reconciliation

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences (Refer note 35)	7,269.46	2,887.47
Deferred tax expense	7,269.46	2,887.47
Tax expense for the year	**7,269.46**	**2,887.47**

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
a) Remeasurement of post employment benefit obligations	(94.05)	(32.55)	(61.50)	6.50	(2.25)	4.25
	(94.05)	**(32.55)**	**(61.50)**	**6.50**	**(2.25)**	**4.25**

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	(23,291.70)	(9,772.30)
Tax using the Company's domestic tax rate (Current year 30.90% and Previous Year 30.90%)	(7,197.14)	(3,019.64)
Tax effect of:		
Difference in tax rate	(72.32)	132.17
	(7,269.46)	**(2,887.47)**

35. Deferred Tax Disclosure

(a) Movement in deferred tax balances

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2018				
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(4,628.81)	(2,633.47)	-	-	(7,262.28)
Investments	(2.93)	-	-	-	(2.93)
Deposit	(0.16)	-	-	-	(0.16)
Prepaid commission	67.99	-	-	-	67.99
Derivatives	61.91	-	-	-	61.91
Employee benefits	(33.20)	245.09	(32.55)	-	179.34
MAT Credit	501.08	-	-	-	501.08
Other items	7,371.06	9,657.84	-	-	17,028.90
Tax assets (Liabilities)	**3,336.94**	**7,269.46**	(32.55)	-	**10,573.85**

(b) Movement in deferred tax balances

	March 31, 2017				
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,566.91)	(1,061.90)	-	-	(4,628.81)
Investments	(2.93)	-	-	-	(2.93)
Deposit	(0.16)	-	-	-	(0.16)
Prepaid commission	67.99	-	-	-	67.99
Derivatives	61.91	-	-	-	61.91
Employee benefits	72.25	(107.70)	2.25	-	(33.20)
MAT Credit*	501.08	-	-	-	501.08
Other items	3,313.99	4,057.06	-	-	7,371.05
Tax assets (Liabilities)	**447.23**	**2,887.46**	**2.25**	-	**3,336.94**

* Increase in Mat Credit is due payment of MAT as per Income Tax 1961 in FY 2015-16

(All amounts in ₹ Lakhs, unless otherwise stated)

Tax Losses carried forward

	31-Mar-18	Expiry Year	31-Mar-17	Expiry Year
Brought forward losses				
- Allowed to carry forward losses for specific period	26,442.67	2020-26	7,933.39	2020-25
- Allowed to carry forward losses for infinite period	7,617.78		5,871.97	
Total	**34,060.45**		**13,805.36**	

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

36. Employee benefits

(A) Defined Contribution Plan

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered Fund and there are no further obligations beyond making such contribution.

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2018	31 March 2017
Charge to the Statement of Profit and Loss based on contributions:		
Employees' Provident fund	87.37	116.14
Employees' Pension Fund	69.81	81.74
Employees' ESIC Fund	18.16	12.08

(B) Defined Benefit Plan

Gratuity

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees adminster the contributions made by the Company to the gratuity scheme.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(All amounts in ₹ Lakhs, unless otherwise stated)

		31-Mar-18	31-Mar-17
		Gratuity	Gratuity
		(Funded plan)	(Funded plan)
(i)	Change in Defined Benefit Obligation		
	Opening defined benefit obligation	**355.07**	361.67
	Amount recognised in profit and loss		
	Current service cost	**50.41**	44.59
	Interest cost	**23.14**	25.66
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Demographic assumptions		
	Financial assumptions	**(3.87)**	26.42
	Experience adjustment	**(90.99)**	(21.41)
	Other		
	Benefits paid	**(64.72)**	(81.86)
	Closing defined benefit obligation	**269.04**	355.07
(ii)	Change in Fair Value of Assets		
	Opening fair value of plan assets	**221.04**	286.16
	Adjustment to Opening Fair Value of Plan Asset	-	(2.14)
	Amount recognised in profit and loss		
	Interest income	**13.56**	19.48
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	**(0.81)**	(1.49)
	Other		
	Contributions by employer	**0.94**	0.89
	Benefits paid	**(64.72)**	(81.86)
	Closing fair value of plan assets	**170.01**	221.04
	Actual return on Plan Assets		
(iii)	Expense recognized in the statement of P & L A/C		
	Current Service Cost	**50.41**	44.59
	Net Interest	**9.58**	6.18
	Past Service Cost -(vested benefits)	**15.62**	-
	Expense recognized in the statement of P & L A/C	**75.61**	50.77
(iv)	Plan assets comprise the following		
	Fund managed by Insurance Company (100%)	**170.01**	221.04
		170.01	221.04

(All amounts in ₹ Lakhs, unless otherwise stated)

		31-Mar-18	31-Mar-17
		Gratuity	Gratuity
		(Funded plan)	(Funded plan)
(v)	Principal actuarial assumptions used		
	Discount rate	**7.30%**	7.17%
	Mortality rate	**IALM (2006-08) Ult.**	IALM (2006-08) Ult.
	Employee Attrition Rate		
	Upto Age 40	**5%**	5%
	Age 41 to 50	**3%**	3%
	Age 51and above	**1%**	1%

vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity			
	31-Mar-18		31-Mar-17	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(11.57)**	**47.67**	(31.45)	36.44
Employee turnover (1% movement)	**21.89**	**8.36**	5.54	(6.18)
Future salary growth (1% movement)	**42.66**	**(8.49)**	31.97	(29.20)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

vli. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
31-Mar-18					
Defined benefit obligations (Gratuity)	23.79	13.76	69.47	254.48	361.50
Total	**23.79**	**13.76**	**69.47**	**254.48**	**361.50**

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2018 based on actuarial valuation using the projected accrued benefit method is ₹ (-) 8.69 lakhs (₹15.55 lakhs).

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(All amounts in ₹ Lakhs, unless otherwise stated)

37 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:

1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.
2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year 17,25,000 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2011

Date of grant	Number of options (Gross)	Exercise Price (₹)	Date of vesting	Vesting period	Fair Value (₹)
10-May-11	45,000	56.16	10-May-14	3	NA *
10-May-11	1,040,000	62.40	10-May-14	3	NA *
04-Aug-11	150,000	49.50	04-Aug-14	3	NA *
04-Aug-11	40,000	44.55	04-Aug-14	3	NA *
15-Sep-11	75,000	52.05	15-Sep-14	3	NA *
22-Oct-13	366,664	16.00	21-Oct-16	3	6.74
22-Oct-13	366,664	16.00	21-Oct-17	4	7.97
22-Oct-13	366,664	16.00	21-Oct-18	5	8.99
12-Sep-14	33,333	43.25	11-Sep-17	3	20.79
12-Sep-14	33,333	43.25	11-Sep-18	4	24.30
12-Sep-14	33,334	43.25	11-Sep-19	5	27.10
29-Jul-15	200,000	30.70	28-Jul-16	1	11.43
29-Jul-15	200,000	30.70	28-Jul-17	2	13.66
29-Jul-15	200,000	30.70	28-Jul-18	3	15.53
29-Jul-15	100,000	30.70	28-Jul-19	4	17.13
30-Jul-15	100,000	30.40	29-Jul-19	4	16.96

*As on the date of transition, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has not been recognised based on fair value.

ESOP 2015

Date of grant	Number of options (Gross)	Exercise Price (₹)	Date of vesting	Vesting period	Fair Value (₹)
26-Jul-16	8,776	31.75	26-Jul-17	1	12.64
26-Jul-16	8,776	31.75	26-Jul-18	2	15.60
26-Jul-16	8,773	31.75	26-Jul-19	3	17.07
12-Oct-16	2,500	33.60	12-Oct-17	1	14.93
12-Oct-16	2,500	33.60	12-Oct-18	2	17.52
12-Oct-16	2,500	33.60	12-Oct-19	3	19.63
18-Jan-18	608,335	20.10	17-Jan-26	1	19.35
18-Jan-18	608,335	20.10	17-Jan-27	2	19.35
18-Jan-18	608,330	20.10	17-Jan-28	3	19.35

(All amounts in ₹ Lakhs, unless otherwise stated)

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

	ESOP 2011		ESOP 2015	
	31 March, 2018	**31 March, 2017**	**31 March, 2018**	**31 March, 2017**
Fair value at grant date (₹)	6.74 - 27.10	6.74 - 27.10	6.09 - 8.61	12.64 - 19.63
Share Price at grant date (₹)	16 - 43.25	16 - 43.25	20.10 - 33.60	31.75 - 33.60
Exercise price (₹)	16 - 43.25	16 - 43.25	20.10 - 33.60	31.75 - 33.60
Expected volatility (weighted-average)	58.26% - 65.46%	58.26% - 65.46%	42.76% - 42.76%	49.35% - 57.54%
Expected life (Years)	2.5 - 4.5	2.5 - 5.5	2.5 - 4.5	2.5 - 4.5
Expected dividends	-	-	-	-
Risk-free interest rate (based on government bonds)	7.67% - 8.60%	7.67% - 8.60%	6.81% - 7.21%	6.48% - 7.04%

Weighted average remaining contractual life of the options as at 31-Mar-18 - 2.29 (2.29) years

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2018

Particulars	**Description of the inputs used**
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	ESOP 2011			
	Number of options	**Weighted average exercise price (₹)**	**Number of options**	**Weighted average exercise price (₹)**
	31 March, 2018	**31 March, 2018**	**31 March, 2017**	**31 March, 2017**
Options outstanding as at the beginning of the year	1,048,535	26.19	1,780,100	26.19
Add: Options granted during the year	-		-	
Less: Options lapsed during the year	515,202	28.03	531,567	28.03
Less: Options exercised during the year	133,332	16.00	199,998	16.00
Options outstanding as at the year end	**400,001**	**27.20**	**1,048,535**	**26.19**

(All amounts in ₹ Lakhs, unless otherwise stated)

	ESOP 2015			
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
	31 March, 2018	31 March, 2018	31 March, 2017	31 March, 2017
Options outstanding as at the beginning of the year	24,115	31.75	-	-
Add: Options granted during the year	1,725,000	20.10	33,825	32.16
Less: Options lapsed during the year		20.10	9,710	31.75
Less: Options exercised during the year	-		-	
Options outstanding as at the year end	**1,749,115**	**20.10**	**24,115**	**32.33**

38. Operating leases

The Company has taken on lease Office Building. The Company's leasing arrangements are generally from 1 month to 60 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Compensation,

Leases as lessee

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were receivable as follows.

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2018	31 March 2017
Less than one year	**17.53**	42.07
Between one and five years	-	17.53
	17.53	59.60

ii. Amounts recognised in profit or loss

	31 March 2018	31 March 2017
Lease expense	**151.93**	213.96
	151.93	213.96

39 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

	At 31 March 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares	846.60	-	846.60	-	-	846.60
Loans and Advances to Related Parties	-	8.50	8.50	-	-	-
Security deposits	-	272.00	272.00	-	-	-
(i) Investment in Equity Instrument (Quoted)	1.22	-	1.22	1.22	-	-
(ii) Investment in Equity Instrument (Unquoted)	131.57	-	131.57	-	-	131.57

(All amounts in ₹ Lakhs, unless otherwise stated)

	At 31 March 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Current Financial assets						
Cash and cash equivalents	-	1,507.32	1,507.32	-	-	-
Loans and advances to related parties	-	13,196.59	13,196.59	-	-	-
Inter Corporate Deposits	-	1,091.63	1,091.63	-	-	-
Trade and other receivables	-	56,934.32	56,934.32	-	-	-
Earnest Money Deposit	-	8.04	8.04	-	-	-
Security & Rent deposit	-	124.78	124.78	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	3.95	-	3.95	-	3.95	-
Total Financial Assets	**983.34**	**73,143.18**	**74,126.52**	**1.22**	**3.95**	**978.17**
Non Current Financial liabilities						
Rupee loan	-	1,226.37	1,226.37	-	-	-
Foreign currency loan	-	1,042.28	1,042.28	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	392.00	392.00	-	-	-
Cash Credit / Packing Credit	-	79,155.38	79,155.38	-	-	-
Trade payables	-	18,203.17	18,203.17	-	-	-
Acceptances	-	3,207.29	3,207.29	-	-	-
Security deposits	-	9.41	9.41	-	-	-
Current maturities of long-term debt - From banks	-	6,879.97	6,879.97	-	-	-
Interest accrued but not due on borrowings	-	39.10	39.10	-	-	-
Interest accrued and due	-	9,530.05	9,530.05	-	-	-
Unclaimed Dividends	-	2.82	2.82	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	-		-	-	-	
Total Financial Liabilities	-	**119,687.84**	**119,687.84**	-	-	-

(All amounts in ₹ Lakhs, unless otherwise stated)

	At 31 March 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	846.60	-	846.60	-	-	846.60
Loans and Advances to Related Parties	-	7.48	7.48	-	-	-
Security & Rent deposit		282.57	282.57	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.83		0.83	0.83	-	-
(ii) Investment in Equity Instrument (Unquoted)	139.70		139.70	-	-	139.70
Current Financial assets						
Cash and cash equivalents	-	3,089.62	3,089.62	-	-	-
Loans and advances to related parties	-	12,887.39	12,887.39	-	-	-
Inter Corporate Deposits	-	744.10	744.10	-	-	-
Trade and other receivables	-	64,038.16	64,038.16	-	-	-
Earnest Money Deposit	-	21.44	21.44	-	-	-
Security & Rent deposit	-	124.78	124.78	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	192.12	-	192.12	-	192.12	-
Total Financial Assets	**1,179.25**	**81,195.54**	**82,374.79**	**0.83**	**192.12**	**986.30**
Non Current Financial liabilities						
Rupee loan	-	6,181.66	6,181.66	-	-	-
Foreign currency loan	-	1,587.63	1,587.63	-	-	-
Vehicle Loans	-	26.50	26.50	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	392.00	392.00	-	-	-
Cash Credit / Packing Credit	-	70,089.48	70,089.48	-	-	-
Trade payables	-	17,797.41	17,797.41	-	-	-
Acceptances	-	12,953.84	12,953.84	-	-	-
Security deposits	-	8.41	8.41	-	-	-
Current maturities of long-term debt - From banks	-	3,269.21	3,269.21	-	-	-
Interest accrued but not due on borrowings	-	195.44	195.44	-	-	-
Interest accrued and due on borrowings	-	-	-	-	-	-
Unclaimed Dividends	-	6.36	6.36	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	15.77	-	15.77	-	15.77	-
Total Financial Liabilities	**15.77**	**112,507.94**	**112,523.71**	**-**	**15.77**	**-**

Fair values for financial instruments carried at amortised cost approximates the carrying amount. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

(All amounts in ₹ Lakhs, unless otherwise stated)

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Not applicable	Not applicable
Investment in Unqouted equity and preference shares	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Paticulars	Equity securities (₹ in lakhs)
Opening Balance(1 April 2016)	974.76
Net change in fair value (unrealised) / Addition	11.54
Closing Balance (31 March 2017)	986.30
Opening Balance(1 April 2017)	986.30
Net change in fair value (unrealised) / Addition	(8.13)
Closing Balance (31 March 2018)	978.17

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

There are no transfers betweeen the levels

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial instruments – Fair values and risk management (continued)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The companies exposure are continuously monitored.Trade receivables consist of customers which are sovereign in nature, hence exposure to default on it contractual obligation is minimal. The company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix.

Impairment

At March 31, 2018, the ageing of trade and other receivables that were not impaired was as follows.

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
Not due	**24,705.96**	36,132.48
0-180 days	**22,016.93**	16,585.15
More than 180 days	**17,241.54**	16,832.84
	63,964.43	69,550.47

Management believes that the unimpaired amounts that are past due by more than 180 days are collectible. Considering the nature of industry, past experience, correspondences with customer, on going business relationships with these customers.

At March 31, 2018, the Company's most significant customer accounted for of the trade and other receivables carrying amount ₹ 20,460.01 Lakhs (₹ 20998.16 Lakhs).

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	March 31, 2018	March 31, 2017
Carrying amount at opening of the year	**5,512.31**	5,360.25
Impairment loss recognised	**1,517.80**	225.00
Amounts written off	-	72.94
Carrying amount at year end	**7,030.11**	5,512.31

At March 31, 2018, there was an impairment loss of ₹ Nil (72.94 Lakhs) related to a customer that was due to price differences, excise duty difference and old balance no more receivable.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1119.54 Lakhs at March 31, 2018 (₹ 1836.84 Lakhs).The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with banks with good credit ratings.

Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(All amounts in ₹ Lakhs, unless otherwise stated)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2018	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	7,501.00	8,484.75	7,092.82	1,391.93	-	-
Foreign currency term loans from banks (Incl. Current Maturities)	1,647.62	1,860.89	677.92	1,182.98	-	-
Current Financial liabilities						
Working capital loans from banks	392.00	392.00	392.00	-	-	-
Cash Credit / Packing Credit	79,155.38	79,155.38	79,155.38	-	-	-
Acceptances	3,207.29	3,207.29	3,207.29	-	-	-
Trade payables	18,203.17	18,203.17	18,203.17	-	-	-
Security deposits	9.41	9.41	9.41	-	-	-
Interest accrued but not due on borrowings	39.10	39.10	39.10	-	-	-
Interest accrued and due on borrowings	9,530.05	9,530.05	9,530.05	-	-	-
Unclaimed Dividends	2.82	2.82	2.82	-	-	-
Total non-derivative liabilities	**119,687.84**	**120,884.87**	**118,309.96**	**2,574.91**	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	8,932.99	9,658.52	4,574.22	4,593.13	491.17	-
Foreign currency term loans from banks (Incl. Current Maturities)	2,132.01	2,301.35	611.76	1,150.64	538.95	-
Current Financial liabilities						
Working capital loans from banks	392.00	392.00	392.00	-	-	-
Cash Credit / Packing Credit	70,089.48	70,089.48	70,089.48	-	-	-
Acceptances	12,953.84	12,953.84	12,953.84	-	-	-
Trade payables	17,797.41	17,797.41	17,797.41	-	-	-
Security deposits	8.41	8.41	8.41	-	-	-
Interest accrued but not due on borrowings	195.44	195.44	195.44	-	-	-
Unclaimed Dividends	6.36	6.36	6.36	-	-	-
Total non-derivative liabilities	**112,507.94**	**113,402.81**	**106,628.92**	**5,743.77**	**1,030.12**	-
Derivative financial liabilities						
Forward exchange contracts	15.77	15.77	15.77	-	-	-
Total derivative liabilities	**15.77**	**15.77**	**15.77**	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

(All amounts in ₹ Lakhs, unless otherwise stated)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy. However price variation clause in contracts entered with customer protects company from any impact due to changes in commodity prices

Currency risk

The Company is exposed to currency risk on account of its trade receivables, loans, borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 5.10	Sell
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.00	Buy

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 52.85 USD 3.45	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.23	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2018 and April 1, 2017 are as below:

(All amounts in ₹ Lakhs, unless otherwise stated)

	31-Mar-18			
	USD	EURO	MWK	Others
Financial assets				
Current Assets				
Trade receivables	4,197.86	-	10.90	-
Less: Forward currency contract	342.94	-	-	-
Net Trade receivables	3,854.92	-	10.90	-
Loans	11,127.77	-	-	4.25
Cash & Cash equivalents	1.34	-	-	-
	14,984.03	-	10.90	4.25
Financial liabilities				
Long term borrowings	1,641.46	-	-	-
Short term borrowings	438.48	-	-	-
Trade and other payables	896.88	84.91	52.22	26.56
Less: Forward currency contract	-	81.83	-	-
Net Trade Payable	896.88	3.08	52.22	26.56
	2,976.81	3.08	52.22	26.56
Net exposure	**12,007.22**	**(3.08)**	**(41.32)**	**(22.31)**

(All amounts in ₹ Lakhs, unless otherwise stated)

	31-Mar-17			
	USD	EURO	MWK	Others
Financial assets				
Trade receivables	5,687.30	-	1.24	-
Less: Forward currency contract	3,678.11	-	-	-
Net Trade receivables	2,009.19	-	1.24	-
Loans	10,510.49	-	-	3.97
Cash & Cash equivalents	14.89	-	52.38	0.48
	12,534.57	-	53.62	4.45
Financial liabilities				
Long term borrowings	2,132.00	-	-	-
Short term borrowings	2,602.19	-	-	-
Trade and other payables	425.62	90.42	5.45	2.75
Less: Forward currency contract	240.58	89.35	-	-
Net Trade Payable	185.04	1.07	5.45	2.75
	4,919.22	1.07	5.45	2.75
Net exposure	**7,615.34**	**(1.07)**	**48.17**	**1.70**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
USD	66.78	67.09	65.64	64.84
EUR	74.04	73.61	79.37	69.25
MWK	0.09	0.09	0.09	0.09

MWK is Malawian Kwacha and the currency is being used in Malawi.

Other currencies includes Nepalese Rupee (NPR), Zambian Kwacha (ZMK), Singapore Dollar (SGD) and Swiss Franc (CHF)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
Effect in INR	Strengthening	Weakening
March 31, 2018		
3% movement		
USD	(360.22)	360.22
EUR	0.09	(0.09)
MWK	1.24	(1.24)
Others	0.67	(0.67)
	(358.22)	358.22
	Profit or loss	
Effect in INR	Strengthening	Weakening
March 31, 2017		
3% movement		
USD	(228.46)	228.46
EUR	0.03	(0.03)
MWK	(1.45)	1.45
Others	(0.05)	0.05
	(229.93)	229.93

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial instruments – Fair values and risk management (continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and loans and advances. Borrowings issued at fixed rates and loans and advances exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
Fixed-rate instruments		
Financial liabilities	**3,625.79**	14,399.55
	3,625.79	14,399.55
Variable-rate instruments		
Financial liabilities	**88,277.50**	80,100.77
	88,277.50	80,100.77
Total	**91,903.29**	94,500.32

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
31-Mar-18		
Variable-rate instruments	(882.78)	882.78
Cash flow sensitivity (net)	(882.78)	882.78
31-Mar-17		
Variable-rate instruments	(801.01)	801.01
Cash flow sensitivity (net)	(801.01)	801.01

40. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital and capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company's adjusted net debt to equity ratio at March 31, 2018 was as follows.

	As at March 31, 2018	As at March 31, 2017
Total liabilities	**91,903.29**	94,500.32
Less : Cash and cash equivalent	**1,119.54**	1,836.84
Adjusted net debt	**90,783.75**	92,663.48
Total equity	**30,660.62**	46,635.55
Less : Hedging reserve	-	-
Adjusted equity	**30,660.62**	46,635.55
Adjusted net debt to adjusted equity ratio	**2.96**	1.99

41 Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the Company has only one reportable segment as follows:

- Transmission and Distribution Segment within Power Sector

The Chairman of the Company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from the Country of Domicile- India	**31,033.44**	79,033.25
Revenue from foreign countries	**3,959.81**	7,704.59

C. Information about major customers

Revenue from single largest customers of the Company was ₹ 15604.54 lakhs is 44.60% of total sales (₹ 25820.41 lakhs is 29.77%of total sales)

42 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

43 RELATED PARTY DISCLOSURE AS PER IND-AS - 24

A List of Related Parties over which control exists

(i) *Subsidiaries*

Emco Power Limited
Emco Renewable Energy Limited
Emco Infrastructure Limited
Emco Transmission Networks Limited
Emco Overseas Pte. Limited
PT Setenco Investa Niaga
Shekhawati Transmission Service Company Limited
Emco Global DMCC

(All amounts in ₹ Lakhs, unless otherwise stated)

B Name of the associates and joint ventures with whom transactions were carried out during the year

(i) *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

(ii) *Association of Persons*

Arki Aviation

C Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) *Key Management Personnel and their Relatives*

Mr. Rajesh S. Jain
Mr. Shailesh S. Jain
Ms Meenakshi Jain
Ms Ratna S. Jain

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

Emco Foundation
Zarco Realities Private Limited (Formely known as Emco Investment Private Limited)

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March	
	2018	2017	2018	2017
Sale of good and services				
Subsidary company	335.04	-	204.93	204.93
Loans given				
Subsidary company	29.40	2,626.37	13,206.18	12,903.00
Loans taken				
Entity having significant influence over the company	-	800.00	-	-
Repayment of loans				
Subsidary company	508.96	1,874.98	-	-
Entity having significant influence over the company	-	800.00	-	-
Investment				
Subsidiaries	-	18.48	11,137.29	11,137.29
Compensation paid to relative of key Managerial personnel				
Short term employee benefits*	32.86	32.86	-	-
Rent and Compensation Paid				
Relative of Key managerial personnel	-	33.83	-	2.84
Rent Deposit given				
Relative of Key managerial personnel	-	-	100.00	100.00
Director Sitting Fees				
Key managerial personnel	1.30	1.60	-	-
Expenses incurred				
Subsidary & JV Company	-	33.01	117.73	619.32
Entity having significant influence over the company	46.07	86.08	22.15	51.08

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March	
	2018	2017	2018	2017
Expenses recovered				
Subsidary & JV Company	-	4.62	-	1.08
Donation given				
Entity having significant influence over the company	5.50	11.00	-	-
Interest income				
Subsidary & JV Company	769.93	785.00	-	-
Guarantee Commission Income				
Subsidary & JV Company	41.91	43.25	-	-
Exceptional Item (Loan written off)				
Subsidary	-	859.43	-	-

*This aforesaid amount does not includes amount in respect of gratuity and leave as the same is not determinable.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.

Disclosure under Schedule V read with Regulation 34(3) of SEBI (L.O.D.R) Regulation, 2015

Loans and Advance in the nature of loan given to subsidiary during the year

(All amounts in ₹ Lakhs, unless otherwise stated)

Name of Related Party	As at 31st March 2018		As at 31st March 2017	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Emco Overseas Pte. Limited	**11,354.89**	**11,354.89**	10,564.02	12,451.85
Emco Power Limited	**1,733.56**	**1,733.56**	1,712.61	2,805.08
Shekhawati Transmission Services Company Limited	**108.15**	**611.20**	610.76	610.76
Emco Infrastructure Limited	**8.50**	**8.50**	7.48	7.48

Investment by the loanee in the shares of the Company

a None of the loanees and/or subsidiary companies of loanee have, per se, made investments in shares of the Company.

b Investment by EMCO Infrastructure Ltd. in Equity Shares of Subsidiaries

Name of The Company	No of Shares
Emco Transmission Networks Ltd	37,560

c Investment by EMCO Oversease Pte Ltd. in Equity Shares of Subsidiaries

Name of The Company	No of Shares
PT Setenco Investa Niaga	988

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at 31st March 2018	As at 31st March 2017
44	**CONTINGENT LIABILITIES AND COMMITMENTS**		
	I) Contingent Liabilities		
	(to the extent not provided for)		
	a) Bank Guarantees outstanding as at the year end (gross) -(Secured)	**49,093.17**	59,141.30
	b) Letters of Credit outstanding as at the year end (Secured)	**213.74**	1,912.21
	c) Guarantee for Subsidiary Company	**8,338.20**	8,429.02
	II) Legal Disputes		
	a) Disputed amount of Sales Tax.	**1,661.48**	3,344.27
	b) Claim made by workmen for re-instatement. Matter Subjudice.	**Amount not ascertainable**	
	c) Disputed amount of Income Tax.	**41.71**	97.97
	d) Disputed amount of Excise duty	**3,045.15**	3,918.18
	e) Disputed amount of Service tax.	**198.69**	249.77
	f) Claims against Company not acknowledged as debt	**678.48**	648.89
	III) Other Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**6.01**	38.13
45	**PROVISION FOR WARRANTIES**		
	Warranty Provision		
	Opening Balance	**218.63**	395.11
	Provision for the year	**213.78**	(167.22)
	Expenses during the year	**250.02**	9.26
	Closing Balance	**182.39**	218.63

Note:

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products.

		As at 31st March 2018	As at 31st March 2017
46	**DISCLOSURE UNDER IND - AS 11 'CONSTRUCTION CONTRACTS'**		
	Contract Revenue recognised as revenue for the year ended	**18,162.02**	35,329.65
	Aggregate amount of contract costs incurred and recognised profits (less sum of recognised losses and progress billings) up to 31st March for all the contracts in progress	**79,848.22**	109,502.63
	The amount of customer advances outstanding for contracts in progress as at 31st March	**2,735.39**	1,337.02
	The amount of retentions due from customers for contracts in progress as at 31st March	**2,815.01**	8,025.86

47 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

48 As at 31 March 2018 company has overdrawn credit facilities including interest of ₹ 50,255.37 Lakhs and other borrowings of ₹ 5,830.77 Lakhs that are due for repayment along with interest payable on such borrowings of ₹ 735.94 Lakhs. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, Company has approached its lenders to restructure the debts, which along-with the sale of non-core assets will result into improved liquidity and profitability and therefore these financial statements are prepared on going concern basis.

(All amounts in ₹ Lakhs, unless otherwise stated)

49 Inventories as at 31st March, 2018 includes ₹ 2,491.62 lakhs at project sites which are lying unused from a considerable period of time. Based on the technical evaluation, management is of the opinion that these inventories are in good conditions and can be utilised in projects in future.

50 Other Current Asset as at 31st March, 2018 includes revenues of ₹ 5793.92 lakhs recognised in earlier years under percentage completion method which are yet to be billed as per the contractual terms. These projects are almost completed and at final reconciliaton stage with customers. In view of the management, the invoices would be raised on the customers as per contractual terms on hand over of the projects, completion of reconciliation procedures and amendment in contract wherever required.

51 Balances of Trade Receivable, Trade Payable, Loans and Advances and other balances are as per books of account and subject to confirmation and reconciliation, if any. In the opinion of the management balances shown under these assets have approximately the same realisable value as shown in the accounts.

52 Company falls under the definition of infrastructural facilities as defined under explanation to section 186 of the Act. Hence section 186 of the Act is not applicable to the company.

53 As per Section 135 of the Companies Act 2013, nothing is to be incurred on corporate social responsibility activity however the company has spent ₹ 6.28 Lakhs (₹ 11.52 Lakhs) during the year.

Details of Amount spent towards CSR given below:

(₹ in Lacs)

Particulars	**2017-18**	2016-17
Education	5.12	11.08
Others	1.16	0.44
Total	**6.28**	11.52

54 **Approval of Financial Statements**

The financial statements were approved for issue by the board of directors on May 30, 2018.

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

INDEPENDENT AUDITOR'S REPORT

To the Members of EMCO Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **EMCO Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and jointly controlled entities comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Company as at 31st March, 2018, and its consolidated loss (financial performance) including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

As stated in Note no. 49 of the consolidated financial statements, Company has incurred operational losses resulting into erosion of considerable net worth. As at the year end, Company has overdrawn credit facilities including interest of Rs. 50,255.37 Lakhs and other borrowings of Rs. 5,830.77 Lakhs that are due for repayment along with interest payable on such borrowings of Rs. 735.94

Lakhs. This factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, Company has approached its lenders to restructure the debts, which along-with the sale of its non-core assets will result into improved liquidity and profitability as stated in the said note and therefore, the management is of the view that going concern of the accounting is appropriate. Our opinion is not modified in respect of the same.

Emphasis of Matter

Attention is invited to following notes of Consolidated Financial Statements:

a) Note no. 9(a) of consolidated financial statements in respect of the outstanding dues and liquidated damages / deduction made by customers aggregating to Rs. 12,109.75 Lakhs, which are carried as Trade Receivables. The company had filed legal case against the customers for the recovery of the same. Pending outcome of the matter which is presently unascertainable, no adjustments have been made in the statement.

b) Note no. 9(b) of consolidated financial statements relating to uncertainties relating on recoverability of trade receivables Rs. 14,328.31 Lakhs, as at 31st March 2018, raised in the earlier years in respect of supplies or projects closed or substantially completed and where the claims are currently under negotiations and discussions with the customers. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the statement.

c) Note no. 50 of the statement relating to one of the subsidiary, wherein appropriateness to its going concern assumption is dependent upon the debt resolution of its Holding Company, financial closure of the Project which is delayed. The management is confident about the technical and financial viability of the project including payment of Liquidated Damages, if any; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly, accounts of the subsidiary for the year have been drawn on going concern basis.

d) Note no. 51 of consolidated financial statements relating to inventory of Rs. 2,491.62 Lakhs as at 31st March, 2018 which are lying unutilised for a considerable period of time. Management has carried out the technical evaluation and is of the opinion that these inventories are in good conditions and can be utilised in projects in future. We have not carried out physical verification of the materials lying at various project sites and have relied on the confirmations given by site in charge.

e) Note no. 52 of consolidated financial statements relating to revenues of Rs. 5,793.92 Lakhs recognised in earlier years under the percentage completion method which are yet to be billed as per the contractual terms and are considered as good of recovery as stated in the note.

Our opinion is not qualified in respect of these matters.

Other Matters

1. We did not audit the financial statements and other financial information of seven subsidiaries, whose financial statements reflect total assets of Rs. 9,051.23 Lakhs as at 31st March, 2018 and total revenue of Rs. 5,022.77 Lakhs and total net cash outflows of Rs. 72.96 Lakhs for the year ended 31st March , 2018 as considered in the consolidated financial statement. The consolidated financial statement also include Group's share of net profit of Rs. 3,690.45 Lakhs for the year ended on 31st March, 2018 in respect of six jointly controlled entities, whose financial statements and other financial information have been audited by other auditors whose reports has been furnished to us and our opinion on the Statement to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

2. We have relied on unaudited financial statements and other financial information of one subsidiaries, whose financial statements reflect total assets of Rs. 12,166.07 Lakhs as at 31st March, 2018 and total revenue of Rs. 3,047.84 Lakhs and total net cash flows of Rs. 60.78 lakhs for the year ended 31st March, 2018, as considered in consolidated financial statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion on these statement, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on such unaudited financial statements certified by the management.

   Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements, is not modified in respect of the above said matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as its appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) The matters described under the Material Uncertainty Related to Going Concern and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.

f) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statement discloses the impact of pending litigations on the consolidated financial position of the Group and it's jointly controlled entities – Refer Note 45 to the consolidated financial statements.

   ii) The Group and it's jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

   iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, jointly controlled companies incorporated in India.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, May 30, 2018

"Annexure A" to the Independent Auditors' Report on the Consolidated Financial Statements of EMCO Limited

(Referred to in paragraph 1(g), under 'Report on other legal and regulatory requirements" section of our report of even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the Internal Financial Control over financial reporting of EMCO Limited (hereinafter referred to as "the Holding company") and its subsidiary companies and its jointly controlled entities, which are companies incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, jointly controlled entities incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries, jointly controlled entities incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company its subsidiaries, associates, and jointly controlled entities which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as its relates to 5 subsidiary companies, and 2 joint ventures companies, which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Sd/-

Amit Chaturvedi

Partner

Membership No. 103141

Mumbai, May 30, 2018

Consolidated Balance Sheet as at 31st March 2018

(All amounts in ₹ Lakh, unless otherwise stated)

	Note	As at 31st March 2018	As at 31st March 2017
I. ASSETS			
1 NON-CURRENT ASSETS			
Non-Current Assets			
(a) Property Plant & Equipment	2(a)	20,775.68	21,452.54
(b) Capital work in progress	2(a)	2,390.53	2,484.81
(c) Goodwill	2(b)	22.53	22.53
(d) Other Intangible assets	2(b)	1,140.05	1,608.41
(e) Investments accounted for using equity method	3	6,197.36	7,047.85
(f) Financial Assets			
(i) Investments	4	980.56	988.27
(ii) Others	5	282.00	283.21
(g) Deferred Tax Asset (Net)	6	10,573.86	3,336.96
(h) Other Non-Current Assets	7	1,395.09	1,466.37
Sub-Total Non Current Assets		43,757.66	38,690.95
2 CURRENT ASSETS			
(a) Inventories	8	16,258.06	14,022.11
(b) Financial Assets			
(i) Trade receivables	9	57,275.64	63,717.32
(ii) Cash & Cash equivalents	10	1,243.32	2,407.57
(iii) Other bank balances	10	397.40	1,261.80
(iv) Loans	11	1,176.75	959.90
(v) Others	12	137.77	338.32
(c) Tax assets (Net)	13	2,127.08	1,789.60
(d) Other Current Assets	14	29,947.93	35,010.70
Sub-Total Current Assets		108,563.95	119,507.32
Total - ASSETS		152,321.61	158,198.27
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	1,358.19	1,355.52
(b) Other Equity	16	11,355.98	25,685.35
Sub-Total Equity		12,714.17	27,040.87
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	17	2,268.65	10,205.93
(b) Provisions	18	71.96	94.62
Sub- Total Non Current Liabilities		2,340.61	10,300.55
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	82,756.75	87,517.79
(ii) Trade Payables	20	18,246.40	17,809.66
(iii) Other Financial liabilities	21	22,135.82	4,808.85
(b) Other Current Liabilities	22	13,813.89	10,286.03
(c) Provisions	23	313.97	434.52
Sub-Total Current Liabilities		137,266.83	120,856.85
Total - EQUITY AND LIABILITIES		152,321.61	158,198.27
Significant accounting policies and notes on financial statements	1 to 56		
The accompanying notes form an integral part of financial statements			

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Consolidated Statement of Profit & Loss for the year ended 31st March, 2018

(All amounts in ₹ Lakh, unless otherwise stated)

	Note	Year ended 31st March, 2018	Year ended 31st March 2017
INCOME			
Revenue from operations	24	39,564.80	86,737.84
Other Income	25	3,045.67	882.34
Total Revenue		42,610.47	87,620.18
EXPENDITURE			
Cost of materials and components consumed and bought outs	26	31,357.30	35,492.84
Purchases of Stock in Trade		4,209.89	25,004.08
Changes in inventories of finished goods and work-in-progress	27	(1,109.82)	3,883.37
Excise Duty		394.99	2,603.09
Employee benefit expense	28	3,886.20	4,541.74
Other expenses	29	9,426.79	7,763.33
Finance costs (net)	30	14,769.04	13,296.56
Depreciation and amortisation	2	1,672.22	1,806.82
Total Expenses		64,606.61	94,391.83
Loss Before Exceptional Items and Tax		(21,996.14)	(6,771.65)
Exceptional items	31	-	3,919.58
Loss Before Share of Profit / (Loss) of Joint Ventures and Tax		(21,996.14)	(10,691.23)
Share of Profit /(Loss) from joint venture		3,554.94	1,239.38
Loss Before Tax		(18,441.20)	(9,451.85)
Tax Expense			
Current Tax	33	0.01	0.12
Deferred Tax	33	(7,269.46)	(2,887.47)
Earlier Years tax	33	2.00	-
Profit / (Loss) for the year		(11,173.75)	(6,564.50)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
a) Remeasurement of post employment benefit obligations		(94.05)	6.50
b) Income Tax on above		(32.55)	2.25
Items that will be reclassified to profit or loss			
a) Foreign Currency Translation Reserve		478.54	(2,434.11)
Total other comprehensive income		(540.04)	2,438.36
Total Comprehensive Income (TCI) for the year		(10,633.71)	(9,002.86)
Net Profit attributable to:			
a) Owners of the Company		(11,173.75)	(6,564.50)
b) Non Controlling Interest		-	-
Other Comprehensive Income attributable to:			
a) Owners of the Company		(540.04)	2,438.36
b) Non Controlling Interest		-	-
Total Comprehensive Income			
a) Owners of the Company		(10,633.71)	(9,002.86)
b) Non Controlling Interest		-	-
Basic earnings per share in ₹ on share of face value ₹ 2 fully paid up	32	(16.48)	(9.71)
Diluted earnings per share in ₹ on share of face value ₹ 2 fully paid up		(16.48)	(9.71)
Significant accounting policies and notes on financial statements	1 to 56		
The accompanying notes form an integral part of financial statements			

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/- **Amit Chaturvedi** **Partner** Membership No. 103141	Sd/- **R. S. Jain** Chairman & Managing Director DIN:00005829	Sd/- **S. S. Jain** Vice Chairman DIN:00006180	Sd/- **Ganesh Tawari** Chief Financial Officer & Company Secretary ICSI. M.No. A12896

Mumbai, 30th May, 2018

Statement of Changes in Equity for the year ended 31 March 2018

(a) Equity share capital

	No. of Shares	Amount
Balance at the 1 April 2016	67,575,885	1,351.52
Changes in equity share capital	199,998	4.00
Balance as at 31 March 2017	67,775,883	1,355.52
Changes in equity share capital	133,332	2.67
Balance as at 31 March 2018	67,909,215	1,358.19

(b) Other Equity

(All amounts in ` Lakh, unless otherwise stated)

Particulars	Reserves and Surplus						Statement of other comprehensive Income		Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Stock options outstanding	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Foreign Currency Translation Reserve	
Balance at the 1 April 2016	1,988.94	4.50	28,612.76	81.28	5,012.43	(2,126.17)	(2.65)	(2,974.52)	30,596.57
Total Comprehensive									
Profit/ (Loss) for the year	-	-	-	-	-	(6,564.50)	-	-	(6,564.50)
Other comprehensive income for the year	-	-	-	-	-	-	(4.25)	-	(4.25)
Dividend Payment	-	-	-	-	-	(828.27)		-	(828.27)
Issue of equity shares	-	-	41.48	-	-	-	-	-	41.48
Employee stock option expense	-	-	-	10.21	-	-	-	-	10.21
Additions during the period	-	-	-	-	-	-	-	2,434.11	2,434.11
Balance as at 31 March 2017	**1,988.94**	**4.50**	**28,654.24**	**91.49**	**5,012.43**	**(9,518.94)**	**(6.90)**	**(540.41)**	**25,685.35**
Total Comprehensive									
Profit/ (Loss) for the year	-	-	-	-	-	(11,173.75)	-	-	(11,173.75)
Other comprehensive income for the year	-	-	-	-	-	-	61.50	-	61.50
Transactions with owners of the company									-
Prior period adjustments						-			-
Dividend Payment	-	-	-	-	-	(2,721.73)	-	-	(2,721.73)
Issue of equity shares	-	-	18.66	-	-	-	-	-	18.66
Employee stock option expense	-	-	-	(35.52)	-	-	-	-	(35.52)
Additions during the period	-	-	-	-	-	-	-	(478.54)	(478.54)
Balance as at 31 March 2018	**1,988.94**	**4.50**	**28,672.90**	**55.97**	**5,012.43**	**(23,414.42)**	**54.60**	**(1,018.95)**	**11,355.98**

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(All amounts in ` Lakh, unless otherwise stated)

		Year ended 31st March, 2018	Year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**(18,441.20)**	(9,451.85)
	Adjustments for		
	Depreciation and amortisation	1,674.52	1,810.82
	Unrealised foreign exchange Loss /(Gain)	639.88	2,987.71
	Share of Associates and joint venture	(3,554.94)	(1,239.38)
	Interest expenses	14,912.11	13,484.29
	Interest Income	(143.07)	(187.73)
	Sundry balance written-off / (back) (net)	(12.66)	621.68
	Provision for doubtful debts	1,517.81	225.00
	Provision for Warranty	250.02	9.26
	Employee stock compensation expense	(35.52)	23.69
	Actuarial (Gain)/loss on post employment benefit obligations	61.50	(4.25)
	Exceptional item	-	3,919.58
	Fair valuation of Investments	7.71	(6.27)
	(Gain)/Loss on sale of fixed assets (net)	-	140.37
	Operating Profit before Working Capital Changes	**(3,123.84)**	12,332.92
	Adjustments for		
	Trade and other payables	3,576.36	(8,897.45)
	Trade and other receivables	10,118.83	(8,844.64)
	Inventory	(2,235.95)	6,581.83
	Cash generated from Operations	**8,335.40**	1,172.66
	Direct taxes paid	(304.93)	(177.71)
	Net Cash Inflow / (Outflow) from Operating Activities	**8,030.47**	994.95
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Acquisition of PPE	(619.73)	(1,127.98)
	Sale proceeds of Property Plant & Equipment's	12.41	3,426.35
	Movement in other bank balances	864.40	(489.12)
	Purchase of Investments	1,039.40	(8.26)
	Sale of Investments		6.07
	Dividend received from Joint Ventures	2,816.07	846.64
	Movement in advance to Joint Ventures	543.19	(204.42)
	Net Cash inflow / (outflow) from Investing Activities	**4,655.74**	2,449.28

(All amounts in ` Lakh, unless otherwise stated)

	Year ended 31st March, 2018	Year ended 31st March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share	**21.33**	32.00
Proceeds of Long term borrowings	**2,413.27**	(1,701.24)
Repayment of Long term borrowings	**(3,297.23)**	(7,104.35)
Increase/(decrease) in short term borrowings	**(4,811.73)**	21,429.79
Interest expense	**(5,396.17)**	(13,214.13)
Dividend paid during the year including dividend tax	**(2,779.93)**	(776.35)
Net Cash inflow / (outflow) from Financing Activities	**(13,850.46)**	(1,334.28)
Net increase in Cash and Cash Equivalents	**(1,164.25)**	2,109.95
Cash and Cash Equivalents at the beginning of the year	**2,407.57**	297.62
Cash and Cash Equivalents at the end of the year	**1,243.32**	2,407.57
Reconciliation of the Cash & Bank		
Cash and cash equivalents (As per Note 10)	**1,640.72**	3,669.37
Less- Margin Money Deposit against Bank Guarantee	**394.58**	1,255.44
Less- Unclaimed Dividend Account	**2.82**	6.36
Cash and Cash Equivalents at the end of the year	**1,243.32**	2,407.57

Notes:-

1. The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind AS) 7.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.
3. Change in Liability arising from financing activities.

Particulars	Non current Borrowings	Current maturities of long term borrowings	Current Borrowings	Total
As at April 1, 2017	10,205.93	4,565.99	87,517.79	**102,289.71**
Cashflow	(883.96)		(4,811.73)	**(5,695.69)**
Non cash transaction	(7,053.32)	7,972.41	50.69	**969.78**
As at March 31, 2018	**2,268.65**	**12,538.40**	**82,756.75**	**97,563.80**

Non cash transaction

4. Changes arising in non-current borrowings of ₹ 919.09 lakhs is on account of foreign exchange fluctuation.

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

1A. General information

EMCO Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at N-104, MIDC Area, Jalgaon 425003, Maharashtra.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is primarily engaged in the power industry and manufactures range of transformers. The Group's products include transformers, energy metering system, substation and transmission towers and lines which constitutes of generation, transmission, distribution and manufacture of power equipment viz Generation Equipment and T&D Equipment. The subsidiaries are in the business of Renewable Power, Power Generation and Electricity T&D, Power Infrastructure, Transmission Line, and such other auxiliary services. The Joint Ventures are in the business of Power Project, Coal Mining and other auxiliary mining services.

1B. Significant Accounting policies

(a) **Basis of preparation**

(i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
2. Defined benefit plans – plan assets measured at fair value
3. Employee stock option plans measured at fair value

(b) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statement till the date the Group ceases to control the subsidiary.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR) through OCI

(e) Consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(f) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(g) Interest in Joint venture and associates are consolidated using equity method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'. The investment in associates is initially recognised at cost. Subsequently, under the equity method post-acquisition attributable profit/losses and other comprehensive income are adjusted in the carrying value of investment to the extent of the Group's investment in the associates. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

(h) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(i) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Significant enterprises consolidated as Associates and Joint Ventures in accordance with Indian Accounting Standard 28 – Investments in Associates and Joint Ventures

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
Subsidiaries		
Emco Power Limited	India	100%
EMCO Renewable Enerygy Limited (Formerly known as EMCO Power Infrastructure Limited)	India	100%
EMCO Overseas Pte Limited	Singapore	100%
EMCO Infrastructure Limited	India	100%
EMCO Transmission Networks Limited (Formerly known as East West Power Generation Company Limited)	India	75.12%
PT Setenco Investa Niaga	Indonesia	98.80%

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
Shekhawati Transmission India Service Company Limited	India	100%
EMCO Global DMCC	Dubai	100%
Joint Ventures Through Subsidiary		
Shyam EMCO Infrastructure Limited	India	50%
Kalinga Energy and Power Limited	India	50%
PT Bina Insan Sukses Mandiri	Indonesia	37.36%
Rabaan (S) Pte Ltd	Singapore	37.35%
PT Vardhaman Mining Services	Indonesia	37.35%
PT Vardhaman Logistics	Indonesia	22.50%

(c) **Property, plant and equipment/ Capital Work In Progress**

i. **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The assets acquired on Hire Purchase basis have been capitalised at the gross value and interest thereon is charged to Statement of profit and loss.

Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. **Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except following assets which are depreciated over period of its estimated useful life:

Asset	Estimated Useful Life
Porta Cabin	5 Years
Form Box	5 Years
Templates	5 Years

For these classes of assets, based on technical advice, the management believes that the useful lives of following assets best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Asset	Estimated Useful Life
Solar Plant	25 Years
CNC Machines	25 Years
Cranes	25 Years
Fabrication Machines	25 Years
Ovens	25 Years
Testing Equipments	25 Years
Winding	25 Years

Leasehold land and improvements are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(d) **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cashgenerating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) **Intangible assets**

These are amortised over their useful life, not exceeding five years.

Development costs for new design is amortised over a period of 5 years.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific to which it relates.

(f) **Impairment losses**

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Raw Materials, Stock in Process, Stores and Spares are valued at lower of cost and net realizable value and net of credits under the scheme of Cenvat Rules and VAT Rules. Finished goods are valued at cost, or Market Value / Net Realisable Value, whichever is less. Cost is determined on a Moving Weighted Average basis. In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable excise duty. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) **Revenue recognition**

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are inclusive of excise duty and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Long term contracts

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.

Dividend income

Dividend is recognized as revenue when the right to receive payment has been established.

Interest income

For all interest bearing financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

(h) **Foreign currency translation**

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non – Monetary foreign currency items are carried at cost. The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognized in the Statement of profit and loss, except in case of long term liabilities taken before 31-Mar-2015, where they relate to acquisition of fixed assets, in which case they are adjusted in carrying cost of fixed assets

(i) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. **Financial assets**

Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

- All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. Further investment in subsidiaries, joint venture and associates are carried at cost. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. **Financial liabilities**

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In order to hedge its exposure to commodity price risk, the Group 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**

a) **Short term employee benefits**

Short term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave, are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

b) **Share-based payment transactions**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

c) **Defined contribution plans**

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss

The Group's contribution towards provident fund, superannuation fund and employee state insurance scheme for certain eligible employees are considered to be defined contribution plan for which The Group made contribution on monthly basis.

d) **Defined benefit plans**

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

(l) **Operating lease**

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

(m) **Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in OCI.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset only if:

a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where The Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(n) **Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

(o) **Provisions , Contingent Liabilities and Contingent Assets**

A provision is recognised if as a result of a past event, The Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(p) **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;

  fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

(All amounts in ₹ Lakhs, unless otherwise stated)

Goodwill arising on acquisition is recognised as an asset, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities recognised and contingent liabilities assumed.

Goodwill is not subject to amortisation but is tested for impairment annually along with the Cash Generating Unit ('CGU') to which it is allocated. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Statement of Profit and Loss on disposal.

In the case of bargain purchase, the resultant gain is recognised as Capital Reserve.

(q) **Research and development**

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

(r) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) **Earnings per share**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(t) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) **Current vs non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Group's normal operating cycle in respect of operations relating to the Sub-station and Transmission Line may vary from project to project depending upon the size of the project, type of project, project complexities and related approvals. Operating cycle for all other business is based on twelve months period. Assets and liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

(All amounts in ₹ Lakhs, unless otherwise stated)

(v) **Key estimates and assumptions**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit or loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized.

  Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

  The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

  Warranties:

  Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

- Measurement of fair values

  The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

  They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

  When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

  If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(All amounts in ₹ Lakhs, unless otherwise stated)

(w) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

(x) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Chairman assesses the financial performance and position of the Group, and makes strategic decisions. Chairman is identified as being the chief operating decision maker for the Group.

The CODM reviews performance of its only reportable segment i.e. Transmission and Distribution Segment within Power Sector on an overall basis. As the Group has a single reportable segment, the segment wise disclosure requirements of Ind-AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity-wide disclosures are given under note 40.

(y) **Recent accounting pronouncements:**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, the Ministry of Corpoarte Affairs (the MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the real asset,expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1,2018, the company has evaluated effect on this on financial statements and the impact is not material.

As Ind AS 115, Revenue from contract with customers: on March 28,2018,the MCA notified Ind AS 115. The core principal of new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the Nature, Amount, timing,and uncertainty of revenue and cashflows arising from the entity's contracts with customer.

The standard permits two possible method of transition:

- Retrospective Approch – under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8, Accounting policies, Change in accounting estimates and Errors.
- Retrospective with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch –up approach)

The effective date For adoption of Ind AS 115 is financial period beginning on or after April, 1, 2018.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition Method and accordingly, Comparatives For the year ending or ended March 31,2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(All amounts in ₹ Lakh, unless otherwise stated)

2(a) Property Plant and Equipment - As at March 31, 2018

Property plant and equipment	Gross block (at cost)				Depreciation				Net block	
	As at 1st April 2017	Additions/ Adjustments [3]	Deductions	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
(A) TANGIBLE ASSETS										
Freehold land	4,311.87	-	-	**4,311.87**	-	-	-	-	**4,311.87**	4,311.87
Lease Hold Land	10.28	-	-	**10.28**	-	-	-	-	**10.28**	10.28
Buildings [1]	5,503.59	64.09	-	**5,567.68**	407.28	207.76	-	**615.04**	**4,952.64**	5,096.31
Plant & Equipment	13,172.42	457.25	61.38	**13,568.29**	1,667.95	873.44	53.51	**2,487.88**	**11,080.41**	11,504.47
Furniture & Fixtures	338.01	-	-	**338.01**	180.80	57.87	-	**238.68**	**99.33**	157.20
Vehicles	271.62	15.35	90.86	**196.10**	91.36	43.16	86.32	**48.20**	**147.90**	180.26
Office Equipments	73.50	0.29	-	**73.79**	34.59	6.30	-	**40.89**	**32.91**	38.91
Air craft [2]	178.98	-	-	**178.98**	25.75	12.88	-	**38.63**	**140.35**	153.22
Depreciation transferred to Capital Work in Progress	-	-	-	-	-	(2.30)	-	-	-	
Total (A)	**23,860.26**	**536.97**	**152.24**	**24,245.00**	**2,407.73**	**1,199.12**	**139.83**	**3,469.31**	**20,775.68**	**21,452.54**
Capital work in progress (B)									**2,390.53**	2,484.81
TOTAL (A+B)	**23,860.26**	**536.97**	**152.24**	**24,245.00**	**2,407.73**	**1,199.12**	**139.83**	**3,469.31**	**23,166.21**	**23,937.35**

Property plant and equipment	Gross block (at cost)				Depreciation				Net block	
	As at 1st April 2016	Additions/ Adjustments [3]	Deductions/ Adjustments	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017	As at 1st April 2016
(A) TANGIBLE ASSETS										
Freehold land	4,413.87	-	102.00	4,311.87	-	-	-	-	4,311.87	4,413.87
Lease Hold Land	21.60	-	11.33	10.28	0.81	0.40	1.21	-	10.28	20.80
Buildings [1]	5,401.80	101.80	-	5,503.59	202.44	204.84	-	407.28	5,096.31	5,199.35
Plant & Equipment	12,867.08	382.14	76.80	13,172.42	808.07	868.93	9.05	1,667.95	11,504.47	12,059.01
Furniture & Fixtures	337.14	0.87	-	338.01	91.59	89.21	-	180.80	157.20	245.55
Vehicles	238.06	55.17	21.61	271.62	59.53	42.56	10.73	91.36	180.26	178.53
Office Equipments	69.01	4.50	-	73.50	25.29	10.41	1.11	34.59	38.91	43.72
Air craft [2]	178.98	-	-	178.98	12.88	12.88	-	25.75	153.22	166.10
Wind Energy Generators	3,726.33	-	3,726.33	-	233.05	116.20	349.25	-	-	3,493.28
Depreciation transferred to Capital Work in Progress	-	-	-	-	-	(4.00)	-	-	-	
Leasehold Improvements	0.00		0.00	-	-			-	-	0.00
Total (A)	**27,253.87**	**544.47**	**3,938.08**	**23,860.26**	**1,433.65**	**1,341.44**	**371.36**	**2,407.73**	**21,452.54**	**25,820.22**
Capital work in progress (B)	2,151.55			2,484.81					2,484.81	-
TOTAL (A+B)	**29,405.42**	**544.47**	**3,938.08**	**26,345.07**	**1,433.65**	**1,341.44**	**371.36**	**2,407.73**	**23,937.35**	**25,820.22**

1. Building includes 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

2. Air Craft represents company's 15% share in assets jointly owned by Company.
3. Additions includes additions / deductions on account of exchange differences ₹ 6.15 lakhs (₹ 189.58 lakhs)on Long Term borrowings pertaining to acquisition of fixed assets.
4. For details of assets given as security against borrowings, Refer Note 17 & Note 19.

2(b) Intangible Assets - As at March 31, 2018

Intangible Assets (Other than Internally Generated)	Gross block (at cost)				Amortisation				Net block	
	As at 1st April 2017	Additions/ Adjustments	Deductions	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Intangible assets										
Computer Software	88.61	4.75	-	**93.36**	40.94	15.98	-	**56.92**	**36.44**	47.67
Technical Know-how and Licenses	1,135.16	-	-	**1,135.16**	615.01	457.12	-	**1,072.13**	**63.02**	520.15
New product design and development	1,342.27	-	-	**1,342.27**	301.67	-	-	**301.67**	**1,040.59**	1,040.59
Goodwill on Consolidation	22.53	-	-	**22.53**	-	-	-	**-**	**22.53**	22.53
Total (A)	2,588.56	4.75	-	**2,593.31**	957.62	473.10	-	**1,430.72**	**1,162.58**	1,630.94
Intangible assets under development (B)	-	-	-	**-**	-	-	-	**-**	**-**	-
TOTAL (A+B)	2,588.56	4.75	-	**2,593.31**	957.62	473.10	-	**1,430.72**	**1,162.58**	1,630.94

Intangible Assets (Other than Internally Generated)	Gross block (at cost)				Amortisation				Net block	
	As at 1st April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2017	As at 1st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017	As at 1st April 2016
Intangible assets										
Computer Software	56.74	31.86	-	88.61	27.18	13.75	-	40.94	47.67	29.56
Technical Know-how and Licenses	312.91	822.25	-	1,135.16	163.37	451.64	-	615.01	520.15	149.54
New product design and development	1,342.27	-	-	1,342.27	301.67	-	-	301.67	1,040.59	1,040.59
Goodwill on Consolidation	22.53	-	-	22.53	-	-	-	-	22.53	22.53
Total (A)	**1,734.45**	**854.11**	-	**2,588.56**	**492.23**	**465.39**	-	**957.62**	**1,630.94**	**1,242.21**
Intangible assets under development (B)	571.32		571.32	-	-		-	-	-	571.32
TOTAL (A+B)	**2,305.76**	**854.11**	**571.32**	**2,588.56**	**492.23**	**465.39**	-	**957.62**	**1,630.94**	**1,813.53**

					As at 31st March, 2018	As at 31st March, 2017
3	**Investments accounted using equity method**					
	Number	Currency	Face Value per unit	**Investment in Equity Instrument (Unquoted)**		
	70,000 (70,000)	₹	10	Shyam Emco Infrastructure Limited	**5.31**	5.38
	1,25,000 (1,25,000)	₹	10	Kalinga Energy & Power Limited	**-**	-
	105,000 (105,000)	IDR	9,229	PT Vardhman Logistics	**79.42**	81.02
	9,337 (9,337)	SGD	1	Rabaan (S) Pte. Ltd.	**0.01**	0.09
	2,242 (2,242)	IDR	1,000,000	PT Bina Insan Sukses Mandiri	**6,112.62**	6,961.36
	373,500 (373,500)	IDR	9,217	PT Vardhman Mining Services	**-**	-
					6,197.36	7,047.85

(All amounts in ₹ Lakhs, unless otherwise stated)

					As at 31st March, 2018	As at 31st March, 2017
4	**Investments Carried At Fair Value Through Profit & Loss**					
				(i) Investment in Equity Instrument (Quoted)		
	3,600 (3,600)	₹	10	Morarka Finance Limited	**1.22**	0.83
				(ii) Investment in Equity Instrument (Un-Quoted)		
	1,667 (1,667)	₹	10	Cozy Properties Private Limited	**131.57**	139.70
	20 (20)	IDR	500,000	PT Sanmati Natural Resources	**0.72**	0.72
				(iii) Investment in Preference Shares (Un-Quoted)		
	8,466 (8,406)	₹	10	Cozy Properties Private Limited	**846.60**	846.60
				(iv) Other Investment (Un-Quoted)		
	4 (4)	₹		Investment in National Saving Certificate	**0.45**	0.42
					980.56	988.27
	Aggregate Amount of Quoted Investment				**1.22**	0.83
	Aggregate Market Value of Quoted Investment				**1.22**	0.83
	Aggregate Amount of Un-Quoted Investment				**979.34**	987.44

		As at 31st March, 2018	As at 31st March, 2017
5	**Other non-current Financial assets**		
	Unsecured considered good		
	Security Deposits	**120.39**	119.46
	Rent Deposit		
	- To Related Party (Refer Note 42)	**100.00**	100.00
	- To Others	**61.61**	63.11
	Others	**-**	0.64
		282.00	283.21
6	**Deferred Tax Asset (Net)**		
	Mat Credit Entitlement	**501.08**	501.09
	Deferred Tax-Asset (net) (Refer note 34)	**10,072.78**	2,835.87
		10,573.86	3,336.96
7	**Other Non current assets**		
	- Unsecured considered good		
	Business Advance to Related Parties (Refer Note 42)	**1,332.71**	1,332.71
	Capital Advances	**62.38**	62.38
	Prepaid Expenses	**-**	71.28
		1,395.09	1,466.37
8	**Inventories**		
	Raw Materials & Components	**10,545.56**	9,365.47
	Work-in-progress	**4,791.57**	3,681.75
	Store, Spares and Packing Material	**920.93**	974.89
		16,258.06	14,022.11
	For details of inventory given as security against borrowings, Refer Note 17 & Note 19.		

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017
9	**Trade receivables**		
	Unsecured, Considered Good	**57,275.64**	63,717.32
	Unsecured, Considered doubtful	**7,030.11**	5,512.31
	Provisions for Doubtful Debts	**(7,030.11)**	(5,512.31)
		57,275.64	63,717.32

a) Trade receivables include ₹ 12,109.75 lakh (₹ 7,549.17 lakh) due from customers on account of outstanding dues and liquidated damages and other deductions withheld by them. The Group has taken legal action for recovery of above amounts. Management considers these amounts as good of recovery based on the legal advice.

b) Trade receivables include ₹ 14,328.31 lakh (₹ 21,285.72 lakh) outstanding as at 31st March 2018 in respect of the supplies or projects which have been closed or substantially completed. These receivables are due to retentions and claims arising mainly in respect of cost over-run due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Group is at various stages of negotiation/discussion with the clients. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

		As at 31st March, 2018	As at 31st March, 2017
10	**Cash and cash equivalents**		
	Cash and Cash Equivalents		
	a) Balance with Banks		
	In Current Account	**1,240.51**	2,405.29
	b) Cash on hand	**2.81**	2.28
		1,243.32	2,407.57
	Bank Balance other than cash and cash equivalents		
	a) Margin Money Deposit (Given as security for Bank Guarantee / Letter of Credit)	**394.58**	1,255.44
	b) Unclaimed Dividend Account	**2.82**	6.36
		397.40	1,261.80
		1,640.72	3,669.37
11	**CURRENT FINANCIAL LOANS AND ADVANCES**		
	- Unsecured considered good		
	a) Loans and Advances to Related Parties (Refer Note 42)	**85.12**	84.86
	b) Inter Corporate Deposits	**1,091.63**	875.04
		1,176.75	959.90
12	**CURRENT FINANCIAL OTHER ASSETS**		
	- Unsecured considered good		
	a) Earnest Money Deposit	**8.04**	21.42
	b) Current Security & Rent Deposits	**125.78**	124.78
	c) Derivative Assets	**3.95**	192.12
		137.77	338.32

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017
13	**TAX ASSET**		
	Income Tax (net of provision) (Refer Note 33)	**2,127.08**	1,789.60
		2,127.08	1,789.60
14	**OTHER CURRENT ASSETS**		
	a) Advance to Suppliers	**10,824.20**	11,409.89
	b) Indirect Tax Receivable	**7,083.07**	5,265.27
	c) Prepaid Expenses	**424.53**	567.30
	d) Contract Revenue in Excess of Billing	**10,217.13**	12,056.02
	e) Other amounts recoverable in cash or kind for value to be received.*	**1,399.00**	5,712.22
		29,947.93	35,010.70
	*It includes insurance claim receivable, imprest balance to site employees, export incentive receivable etc		

	Particulars		As at March 31, 2018	As at March 31, 2017
15	**Share Capital**			
a	**Authorised :**			
	Equity shares of ₹ 2 each		**7,000.00**	1,500.00
	35,00,00,000 (7,50,00,000,) Equity shares			
	Cumulative Redeemable Preference Shares of ₹ 100 each			
	5,00,000 (5,00,000) shares		**500.00**	500.00
	TOTAL		**7,500.00**	2,000.00
b	**Issued and Subscribed and Paid up:**			
	6,79,09,215 (6,77,75,883) Equity shares of ₹ 2 eachfully paid up		**1,358.19**	1,355.52
	TOTAL		**1,358.19**	1,355.52
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**			
	Equity share :			
	Outstanding at the beginning of the year	Number	**67,775,883**	67,575,885
		Amount	**1,355.52**	1,351.52
	Equity Shares issued during the year pursuant to exercise of ESOPs	Number	**133,332**	199,998
		Amount	**2.67**	4.00
	Outstanding at the end of the year	Number	**67,909,215**	67,775,883
		Amount	**1,358.19**	1,355.52
d	**Terms / Rights attached to each classes of shares**			
	1. Terms / Rights attached to Equity shares			
	The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			

(All amounts in ₹ Lakhs, unless otherwise stated)

e Shareholders holding more than 5% shares in the company is set out below:

Equity share	As at March 31, 2018		As at 31 March 2017	
	No. of Shares	No of shares	No. of Shares	No of shares
	%		%	
Rajesh Jain	**9,599,345**	**14.14**	9,599,345	14.16
Shailesh Jain	**6,299,340**	**9.28**	6,299,340	9.29
Zarco Realities Private Limited (Formely known as Emco Investment Private Limited)	**8,355,858**	**12.30**	8,355,858	12.33
Ratna Jain	**4,354,255**	**6.41**	4,354,255	6.42

g Shares reserved for issuance after considering expired options under Stock Option Plans of the Group

Paticulars	As at March 31, 2018 No of shares	As at March 31, 2017 No of shares
ESOP 2006 Option XII	-	5,320
ESOP 2011 Option I	-	26,800
ESOP 2011 Option II	-	38,400
ESOP 2011 Option IV	**100,001**	333,335
ESOP 2011 Option V	-	100,000
ESOP 2011 Option VI	**250,000**	500,000
ESOP 2011 Option VII	**50,000**	50,000
ESOP 2015 Option I	**16,615**	16,615
ESOP 2015 Option II	**7,500**	7,500
ESOP 2015 Option III	**1,725,000**	-

h Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Group

	As at March 31, 2018 No of shares	As at March 31, 2017 No of shares
	Aggregate No of shares	Aggregate No of shares
Equity Shares:		
Issued under various Stock Option Plans of the Group	**333,330**	199,998

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
16	**Other equity**		
	Capital Reserve		
	Balance as at the beginning and at the end of the year	**1,988.94**	1,988.94
	Capital Redemption Reserve		
	Balance as at the beginning and at the end of the year	**4.50**	4.50
	Securities Premium Account		
	Balance as at the beginning of the year	**28,654.25**	28,612.76
	Add: Received during the year	**18.66**	41.48
	Balance as at the end of the year	**28,672.91**	28,654.24
	Stock options outstanding		
	Employee stock options outstanding at the beginning of the year	**91.49**	81.28
	Add : Deferred employee compensation outstanding	**(35.52)**	10.21
	Balance as at the end of the year	**55.97**	91.49
	General Reserve		
	Balance as at the beginning and at the end of the year	**5,012.43**	5,012.43
	Other comprehensive Income		
	A) Employee Benefit Obligation		
	Balance as at the beginning of the year	**(6.90)**	(2.65)
	Remeasurement of post employment benefit obligations	**(94.05)**	(6.50)
	Deferred tax on above	**(32.55)**	2.25
	Balance at the end of the year	**54.60**	(6.90)
	B) Foreign Currency Translation Reserve		
	Balance as at the beginning of the year	**(540.41)**	(2,974.52)
	Addition / (Deduction) during the year	**(478.54)**	2,434.11
	Balance as at the end of the year	**(1,018.95)**	(540.41)
		34,770.40	35,204.29
	Surplus		
	Balance as at the beginning of the year	**(9,518.94)**	(2,126.17)
	Add : Total Comprehensive Income	**(11,173.75)**	(6,564.50)
	Less: Appropriations		
	Dividend	**2,721.73**	828.27
	Balance as at the end of the year	**(23,414.42)**	(9,518.94)
		11,355.98	25,685.35

Capital reserve

The reserve created on account of issue of share warrants by the Parent company to the promoters.

Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Parent company on redemption of preference share capital.

Securities premium reserve

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Parent company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

(All amounts in ₹ Lakhs, unless otherwise stated)

Foreign currency translation reserve

Foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the balance sheet date, which differs from the rate in effect at the last measurement date.

Stock options outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee stock option plan and the Employee Stock Grant Scheme which are unvested as on the reporting date

General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Retained earnings

Retained earnings includes the Group's cumulative earnings and losses respectively

			Non Current Portions		Current Maturities	
		Rate of Interest	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
17	**LONG TERM BORROWINGS**					
	SECURED LOANS					
	a) Vehicle Loans	**9.36% - 10.50%**	-	26.50	**26.50**	27.21
	b) Term Loans from Banks					
	i) Rupee Loan	**BR+3.25% to BR+4.24%**	**1,226.37**	5,181.67	**6,248.13**	2,697.63
		12%	-	1,000.00	-	-
	ii) Foreign currency Loan	**LIBOR+4.5 to LIBOR+5.5**	**1,042.28**	3,997.76	**6,263.77**	1,841.15
			2,268.65	10,205.93	**12,538.40**	4,565.99
	Amount disclosed under 'Other Current Liabilities' (Refer Note 22)				**(12,538.40)**	(4,565.99)
			2,268.65	10,205.93	-	-

Nature of Security and Repayment Terms

a) Vehicle Loans are secured by way of hypothecation on respective vehicles financed.

b) Term loan from banks referred in (b) (i) above Includes ₹ Nil Lakh (₹ 311.37 Lakh) loan which 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 current assets and movable fixed assets (plant, machinery equipments) pertaining to windmills.

c) Term loan from banks referred in (b) (i) above includes ₹ 7,474.50 Lakh (₹ 8,567.91 Lakh) loan which is secured by first charge basis (pari passu) by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders Solar farm and second charge (pari passu) by way of hypothecation on the Company's movable assets including current assets except assets exclusively financed by other lenders Solar farm. Further out of this working capital term loan ₹ 5,517.47 Lakh (₹ 5,703.20 Lakh) is secured by personal guarantee of promoter directors.

d) Term loan from banks referred in (b) (ii) above is secured on first charge basis by way of exclusive mortgage on Solar Project's land and all other immovable properties, present and future and also by way of hypothecation on solar project's all movable, present and future, all book debts, operating cash flows, receivables, commissions, revenues of what so ever nature and where ever arising out of Solar Project.

(All amounts in ₹ Lakhs, unless otherwise stated)

e) Term loan from banks referred in (b) (ii) above : is secured through

Term Loan amounting to ₹ Nil Lakh (₹ 3706.90 Lakh) is secured through Pledge of shares of Pt. Setenco Investa Niaga who is holding 37.36% of stake in Pt. BISM, Coal mining company in Indonesia. And first charge on all the assets of the company including hypothecation of book debt and stock.

f) **Delay In Repayment of Term Loan as on 31-Mar-18**

	Period Of Delay (In Days)	Principal Due (In lakhs)	Interest Due (In lakhs)
Bank 1	1 to 274	690.00	92.45
Bank 2	1 to 365	2,406.25	2.45
Bank 3	1 to 195	99.00	36.12
Bank 4	1 to 334	215.63	26.02
Bank 5	1 to 204	65.63	31.61
Bank 6	1 to 346	238.13	91.23
Bank 7	1 to 78	40.54	5.67

g) **Delay In Repayment of Term Loan as on 31-Mar-17**

	Period Of Delay (In Days)	Principal Due (In lakhs)	Interest Due (In lakhs)
Bank 1	1 to 121	43.13	29.09
Bank 2	1 to 91	1,031.25	149.96
Bank 3	1 to 91	230.00	45.72
Bank 4	13	-	4.23

h) **Maturity Profile of Long Term Borrowings**

	0 - 1 Years	1-2 years	Beyond 3 years
Long Term Borrowings	6,879.97	1,655.64	613.01

		As at 31st March, 2018	As at 31st March, 2017
18	**LONG TERM PROVISIONS**		
	Provision for employee benefits		
	Provision for leave benefits (Refer Note 35)	**71.96**	94.62
		71.96	94.62
19	**SHORT TERM BORROWINGS**		
	Loan repayable on demand		
	From Banks		
	Secured		
	a) Working Capital Demand Loan	**392.00**	3,101.33
	b) Cash Credit / Packing Credit	**79,155.38**	70,089.48
	c) Acceptance	**3,207.29**	12,953.85
	Unsecured		
	a) Short Term Borrowings from Others	**2.08**	1,373.13
		82,756.75	87,517.79

Nature of Security and Repayment Terms

i) Working Capital Loans from banks referred in (a) (b) and (c) above and bank facilities mentioned in Note 45 (a) and (b) are secured on first charge basis (pari passu) by way of hypothecation on current assets of the Company such as raw Materials, stocks-in-process, finished goods, consumable stores and spares, book debts, outstanding and claims, receivable both present

(All amounts in ₹ Lakhs, unless otherwise stated)

and future except book debts and receivables pertaining to solar farm which are exclusively financed by other lenders. Further the said working capital facilities are secured on second charge by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Solar farm.

ii) Working capital referred in (b) above is in excess of sanction limit by ₹ 41,409 Lakhs (₹ 32,080 Lakhs) as at year end.

iii) Working capital referred in (b) above is also secured by mortgage of 21 flats owned by the company

		As at 31st March, 2018	As at 31st March, 2017
20	**TRADE PAYABLES**		
	- Dues to micro and small enterprises	**714.34**	340.51
	- Others	**17,532.06**	17,469.15
		18,246.40	17,809.66
	Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.		
	1 The principal amount remaining unpaid to supplier as at the end of accounting year	**714.34**	340.51
	2 The interest due thereon remaining unpaid to supplier as at the end of accounting year.	**58.78**	41.63
	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.	**58.78**	41.63
	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
21	**OTHER CURRENT FINANCIAL LIABILITIES**		
	Current Maturities of Long Term Borrowings (Refer Note No.17)	**12,538.40**	4,565.99
	Interest accrued but not due	**55.14**	212.32
	Interest accrued and due	**9,530.05**	-
	Unclaimed Dividends *	**2.82**	6.36
	Security Deposits	**9.41**	8.41
	Derivative liability	-	15.77
		22,135.82	4,808.85
	* These figures do not include any amounts due and outstanding to be credited to Investor education and protection fund		
22	**OTHER CURRENT LIABILITIES**		
	Statutory Liabilities	**149.80**	326.50
	Advance received against order from customers	**11,433. 62**	6,599.36
	Billing in Excess of Contract Revenue	**89.16**	-
	Other Liabilities	**2,141.31**	3,360.17
		13,813.89	10,286.03

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended 31st March, 2018	Year ended 31st March 2017
23	**Provisions**		
	a) Provision for gratuity (Refer Note 35)	**114.65**	134.03
	b) Provision for leave benefits (Refer Note 35)	**16.93**	27.17
	c) Provision for tax on dividend	-	54.69
	d) Provision for warranties (Refer Note 46)	**182.39**	218.63
		313.97	434.52
24	**REVENUE FROM OPERATIONS**		
	Sale of products	**37,731.85**	85,027.47
	Sale of services	**146.69**	231.09
	Other operating revenue	**1,686.26**	1,479.28
		39,564.80	86,737.84
25	**OTHER INCOME**		
	Other non operating income	**3,045.67**	882.34
		3,045.67	882.34
26	**COST OF RAW MATERIAL CONSUMED**		
	Inventory at the beginning of the year	**9,365.47**	10,537.46
	Add : Purchases and Other Related Expenses	**32,537.39**	34,320.85
	Less : Inventory at the end of the year	**10,545.56**	9,365.47
		31,357.30	35,492.84
	Add : Purchases of Stock in Trade	**4,209.89**	25,004.08
		35,567.19	60,496.92
27	**CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**		
	Inventories at the end of the year		
	Work - in - process	**4,791.57**	3,681.75
		4,791.57	3,681.75
	Inventories at the beginning of the year		
	Work - in - process	**3,681.75**	7,273.02
	Finished Goods	-	292.10
		3,681.75	7,565.12
		(1,109.82)	3,883.37
28	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and Wages	**3,480.47**	4,013.14
	Contribution to Provident and other funds	**249.17**	303.32
	Employee stock option scheme	**(35.52)**	23.69
	Staff Welfare expenses	**192.08**	201.59
		3,886.20	4,541.74

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended 31st March, 2018	Year ended 31st March 2017
29	**OTHER EXPENSES**		
	Stores and Packing Materials Consumed	**621.06**	794.75
	Power and Fuel	**383.30**	524.18
	Repair and Maintenance		
	- Machinery	**71.30**	144.17
	- Buildings	**90.71**	126.12
	Rent and Compensation	**154.93**	214.49
	Insurance Charges (Net)	**342.13**	313.46
	Rates and Taxes	**596.60**	136.12
	Travelling and Conveyance	**614.07**	709.46
	Freight (Net)	**518.74**	326.69
	Commission on Sales	**602.24**	226.54
	Legal and Professional Fees	**1,575.49**	751.92
	Auditors Remuneration	**68.98**	85.44
	Director's Sitting Fees	**7.21**	6.13
	Bank Charges, Guarantee Commission and Other Charges	**1,667.67**	1,520.15
	Loss on Disposal of Fixed Assets (Net)	-	140.37
	Warranty and After Sales Expenses	**250.02**	9.26
	Miscellaneous Expenses	**96.77**	49.22
	Other Establishment Expenses	**1,029.87**	1,240.26
	Net (Gain) / Loss from foreign currency transactions and translations	**(769.45)**	25.16
	Sundry Balance Written Off (Net)	**(12.66)**	621.68
	Provision for doubtful debts	**1,517.81**	225.00
	Less: Common overheads recovered/ transferred to project development expenditure	-	(427.24)
		9,426.79	7,763.33
30	**FINANCE COST (net)**		
	Interest Cost		
	On Term Loans	**1,563.27**	1,854.68
	On Working Capital	**12,214.83**	10,099.01
	To Others	**1,019.02**	1,257.47
	Other Borrowing Cost	**114.99**	273.13
		14,912.11	13,484.29
	Less:		
	Interest from bank and Others	**143.07**	180.68
	Interest from Related Parties (Refer Note 42)	-	7.05
		143.07	187.73
		14,769.04	13,296.56
31	**EXCEPTIONAL ITEM**	-	3,919.58
	Exceptional items for the year ended 31st March 2017, represent write off of Project Development Expenditure amounting to ₹ 3,060.15 Lakhs and impairment of capital work in progress in one of the subsidiary i.e. Emco Power Ltd amounting to ₹ 859.43 Lakhs.		

(All amounts in ₹ Lakhs, unless otherwise stated)

32. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	March 31, 2018	March 31, 2017
Profit/(Loss) attributable to equity holders:	**(11,173.75)**	(6,564.50)
Continuing operations	**(11,173.75)**	(6,564.50)
Discontinued operations	-	-
Profit/(Loss) attributable to equity holders of the parent for basic earnings	**(11,173.75)**	(6,564.50)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	**(11,173.75)**	(6,564.50)

ii. Weighted average number of ordinary shares

	March 31, 2018	March 31, 2017
Effect of shares issued for cash on 28-Oct-2016 under ESOP	**36,164**	84,931
Weighted average number of shares at March 31 for basic EPS	**67,812,047**	67,660,816
Effect of dilution:		
Share options	**12,088**	400,347
	67,824,135	68,061,163

iii. Basic and Diluted earnings per share

	March 31, 2018	March 31, 2017
Basic earnings per share	**(16.48)**	(9.70)
Diluted earnings per share	**(16.48)**	(9.70)

33 Tax Reconciliation

(a) Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Current tax	**0.01**	0.12
Deferred tax charge / (credit)		
Origination and reversal of temporary differences	**(7,269.46)**	(2,887.47)
Deferred tax expense	**(7,269.46)**	(2,887.47)
Tax expense / (benefit) for the year	**(7,269.45)**	(2,887.35)

(b) Amounts recognised in other comprehensive income

Particulars	**For the year ended March 31, 2018**			For the year ended March 31, 2017		
	Before tax	**Tax (expense) benefit**	**Net of tax**	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
a) Remeasurement of post employment benefit obligations	**94.05**	**(32.55)**	**61.50**	(6.50)	2.25	(4.25)
	94.05	**(32.55)**	**61.50**	(6.50)	2.25	(4.25)

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	**(18,441.20)**	(9,451.85)
Tax using the Group's domestic tax rate (Current year 30.90% and Previous Year 30.90%)	**(5,698.33)**	(2,920.62)
Tax effect of:		
Difference in tax rate	**(182.78)**	280.69
Expenses not deductible for tax purposes	**221.99**	254.84
No deferred tax created	**(1,610.31)**	(502.26)
	(7,269.44)	(2,887.35)

34 Deferred Tax Disclosure

(a) Movement in deferred tax balances

Particulars	March 31, 2018			
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net
Deferred tax asset / (Liabilities)				
Property, plant and equipment	(4,628.81)	(2,633.47)	-	(7,262.28)
Investments	(2.93)	-	-	(2.93)
Deposit	(0.16)	-	-	(0.16)
Prepaid commission	67.99	-	-	67.99
Derivatives	61.91	-	-	61.91
Employee benefits	(33.20)	245.09	-	211.89
MAT Credit	501.08	-	-	501.08
Other items	7,371.06	9,657.84	-	17,028.90
Tax assets (Liabilities)	**3,336.94**	**7,269.46**	-	**10,606.40**

(b) Movement in deferred tax balances

	March 31, 2017			
Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net
Deferred tax asset / (Liabilities)				
Property, plant and equipment	(3,566.91)	(1,061.90)	-	(4,628.81)
Investments	(2.93)	-	-	(2.93)
Deposit	(0.16)	-	-	(0.16)
Prepaid commission	67.99	-	-	67.99
Derivatives	61.91	-	-	61.91
Employee benefits	72.25	(107.70)	2.25	(33.20)
MAT Credit*	501.08	-	-	501.08
Other items	3,314.00	4,057.05	-	7,371.05
Tax assets (Liabilities)	**447.24**	**2,887.46**	**2.25**	**3,336.95**

* Increase in Mat Credit is due to payment of MAT as per Income Tax 1961 in FY 2015-16

Deferred tax asset / (Liabilities) is disclosed as follows:		As at 31st March, 2018	As at 31st March, 2017
Mat Credit Entitlement	Refer Note 6	**501.08**	501.09
Deferred Tax-Asset	Refer Note 6	**10,072.78**	2,835.87
Total		**10,573.86**	3,336.96

(All amounts in ₹ Lakhs, unless otherwise stated)

Tax Losses carried forward

	31-Mar-18	Expiry Year	31-Mar-17	Expiry Year
Brought forward losses				
- Allowed to carry forward losses for specific period	**26,453.47**	2020-26	7,950.92	2020-25
- Allowed to carry forward losses for specific period	**1,674.99**	2019-23	2,858.35	2018-22
- Allowed to carry forward losses for infinite period	**7,617.78**		5,871.97	
Total	**35,746.24**		16,681.24	

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

35 Employee benefits

(All amounts in ₹ Lakh, unless otherwise stated)

(A) Defined Contribution Plan

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered Fund and there are no further obligations beyond making such contribution.

	31 March 2018	31 March 2017
Charge to the Statement of Profit and Loss based on contributions:		
Employees' Provident fund	**87.37**	116.14
Employees' Pension Fund	**69.81**	81.74
Employees' ESIC Fund	**18.16**	12.08

(B) Defined Benefit Plan

Gratuity

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Group.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees adminster the contributions made by the Group to the gratuity scheme.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(All amounts in ₹ Lakhs, unless otherwise stated)

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

		31-Mar-18 Gratuity (Funded plan)	31-Mar-17 Gratuity (Funded plan)
(i)	Change in Defined Benefit Obligation		
	Opening defined benefit obligation	**355.07**	361.67
	Amount recognised in profit and loss		
	Current service cost	**50.41**	44.59
	Interest cost	**23.14**	25.66
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Demographic assumptions		
	Financial assumptions	**(3.87)**	26.42
	Experience adjustment	**(90.99)**	(21.41)
	Other		
	Benefits paid	**(64.72)**	(81.86)
	Closing defined benefit obligation	**269.04**	355.07
(ii)	Change in Fair Value of Assets		
	Opening fair value of plan assets	**221.04**	286.16
	Adjustment to Opening Fair Value of Plan Asset	**-**	(2.14)
	Amount recognised in profit and loss		
	Interest income	**13.56**	19.48
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	**(0.81)**	(1.49)
	Other		
	Contributions by employer	**0.94**	0.89
	Benefits paid	**(64.72)**	(81.86)
	Closing fair value of plan assets	**170.01**	221.04
	Actual return on Plan Assets		
(iii)	Expenses recognised during the year		
	Current Service Cost	**50.41**	44.59
	Net Interest	**9.58**	6.18
	Past Service Cost -(vested benefits)	**15.62**	-
	Expense recognized in the statement of P & L A/C	**75.61**	50.77
(iv)	Plan assets comprise the following		
	Fund managed by Insurance Company (100%)	**170.01**	221.04
		170.01	221.04
(v)	Principal actuarial assumptions used		
	Discount rate	**7.30%**	7.17%
	Mortality rate	**IALM (2006-08) Ult.**	IALM (2006-08) Ult.
	Employee Attrition Rate		
	Upto Age 40	**5%**	5%
	Age 41 to 50	**3%**	3%
	Age 51and above	**1%**	1%

(All amounts in ₹ Lakhs, unless otherwise stated)

v. Sensitivity analysis

	Gratuity			
	31-Mar-18		31-Mar-17	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(11.57)**	**47.67**	(31.45)	36.44
Employee turnover (1% movement)	**21.89**	**8.36**	5.54	(6.18)
Future salary growth (1% movement)	**42.66**	**(8.49)**	31.97	(29.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

vi. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
March 31, 2018					
Defined benefit obligations (Gratuity)	23.79	13.76	69.47	254.48	361.50
Total	**23.79**	**13.76**	**69.47**	**254.48**	**361.50**

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2018 based on actuarial valuation using the projected accrued benefit method is ₹ (-)8.69 lakhs (₹ 15.55 lakhs).

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

36. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:

1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year 17,25,000 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

(All amounts in ₹ Lakhs, unless otherwise stated)

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2011

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value
10-May-11	45,000	56.16	10-May-14	3	NA *
10-May-11	1,040,000	62.40	10-May-14	3	NA *
04-Aug-11	150,000	49.50	04-Aug-14	3	NA *
04-Aug-11	40,000	44.55	04-Aug-14	3	NA *
15-Sep-11	75,000	52.05	15-Sep-14	3	NA *
22-Oct-13	366,664	16.00	21-Oct-16	3	6.74
22-Oct-13	366,664	16.00	21-Oct-17	4	7.97
22-Oct-13	366,664	16.00	21-Oct-18	5	8.99
12-Sep-14	33,333	43.25	11-Sep-17	3	20.79
12-Sep-14	33,333	43.25	11-Sep-18	4	24.30
12-Sep-14	33,334	43.25	11-Sep-19	5	27.10
29-Jul-15	200,000	30.70	28-Jul-16	1	11.43
29-Jul-15	200,000	30.70	28-Jul-17	2	13.66
29-Jul-15	200,000	30.70	28-Jul-18	3	15.53
29-Jul-15	100,000	30.70	28-Jul-19	4	17.13
30-Jul-15	100,000	30.40	29-Jul-19	4	16.96

*As on the date of transition, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has not been recognised based on fair value.

ESOP 2015

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value
26-Jul-16	8,776	31.75	26-Jul-17	1	12.64
26-Jul-16	8,776	31.75	26-Jul-18	2	15.60
26-Jul-16	8,773	31.75	26-Jul-19	3	17.07
12-Oct-16	2,500	33.60	12-Oct-17	1	14.93
12-Oct-16	2,500	33.60	12-Oct-18	2	17.52
12-Oct-16	2,500	33.60	12-Oct-19	3	19.63
18-Jan-18	608,335	20.10	17-Jan-26	1	19.35
18-Jan-18	608,335	20.10	17-Jan-27	2	19.35
18-Jan-18	608,330	20.10	17-Jan-28	3	19.35

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

(All amounts in ₹ Lakhs, unless otherwise stated)

	ESOP 2011		ESOP 2015	
	31-Mar-18	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
Fair value at grant date	6.74 - 27.10	6.74 - 27.10	6.09 - 8.61	12.64 - 19.63
Share price at grant date	16 - 43.25	16 - 43.25	20.10 - 33.60	31.75 - 33.60
Exercise price	16 - 43.25	16 - 43.25	20.10 - 33.60	31.75 - 33.60
Expected volatility (weighted-average)	58.26% - 65.46%	58.26% - 65.46%	42.76% - 42.76%	49.35% - 57.54%
Expected life	2.5 - 4.5	2.5 - 5.5	2.5 - 4.5	2.5 - 4.5
Expected dividends	-	-	-	-
Risk-free interest rate (based on government bonds)	7.67% - 8.60%	7.67% - 8.60%	6.81% - 7.21%	6.48% - 7.04%

Weighted average remaining contractual life of the options as at 31st March 2018 is 2.29 years (2.29 years)

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2018

Particulars	**Description of the inputs used**
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Parent Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

Particulars	**ESOP 2011**			
	Number of options 31-Mar-18	**Weighted average exercise price 31-Mar-18**	**Number of options 31-Mar-17**	**Weighted average exercise price 31-Mar-17**
Options outstanding as at the beginning of the year	1,048,535	26.19	1,780,100	26.19
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	515,202	28.03	531,567	28.03
Less: Options exercised during the year	133,332	16.00	199,998	16.00
Options outstanding as at the year end	**400,001**	**27.20**	**1,048,535**	**26.19**

Particulars	**ESOP 2015**			
	Number of options 31-Mar-18	**Weighted average exercise price 31-Mar-18**	**Number of options 31-Mar-17**	**Weighted average exercise price 31-Mar-17**
Options outstanding as at the beginning of the year	24,115	31.75	-	-
Add: Options granted during the year	1,725,000	20.10	33,825	32.16
Less: Options lapsed during the year	-	20.10	9,710	31.75
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	**1,749,115**	**20.10**	**24,115**	**32.33**

(All amounts in ₹ Lakhs, unless otherwise stated)

37. Operating leases

The Group has taken on lease Office Building. The Group's leasing arrangements are generally from 1 month to 60 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Compensation,

Leases as lessee

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were receivable as follows.

Particulars	March 31, 2018	March 31, 2017
Less than one year	17.53	42.07
Between one and five years	-	17.53
	17.53	59.60

ii. Amounts recognised in profit or loss

Particulars	March 31, 2018	March 31, 2017
Lease expense	154.93	214.49
	154.93	214.49

38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include level of fair value hierarchy information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	At 31 March 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares	846.60	-	846.60	-	-	846.60
Security & Rent deposit	-	282.00	282.00	-	-	-
Other non-current Financial assets	-	-	-	-	-	-
(i) Investment in Equity Instrument (Quoted)	1.22	-	1.22	1.22	-	-
(iii) Investment in Equity Instrument (Unquoted)	132.74	-	132.74	-	-	132.74
Current Financial assets						
Cash and cash equivalents	-	1,640.72	1,640.72	-	-	-
Loans and advances to related parties	-	85.12	85.12	-	-	-
Inter Corporate Deposits	-	1,091.63	1,091.63	-	-	-
Trade and other receivables	-	57,275.64	57,275.64	-	-	-
Earnest Money Deposit	-	8.04	8.04	-	-	-
Security & Rent deposit	-	125.78	125.78	-	-	-
Derivatives not designated as hedges				-	-	-
Foreign exchange forward contracts - Current	3.95	-	3.95	-	3.95	-
Total Financial Assets	**984.51**	**60,508.93**	**61,493.44**	**1.22**	**3.95**	**979.34**

(All amounts in ₹ Lakhs, unless otherwise stated)

	At 31 March 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non Current Financial liabilities				-	-	-
Rupee loan	-	1,226.37	1,226.37	-	-	-
Foreign currency loan	-	1,042.28	1,042.28	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	392.00	392.00	-	-	-
Cash Credit / Packing Credit	-	79,155.38	79,155.38	-	-	-
Borrowings - Others	-	2.08	2.08	-	-	-
Trade payables	-	18,246.40	18,246.40	-	-	-
Acceptances	-	3,207.29	3,207.29	-	-	-
Security deposits	-	9.41	9.41	-	-	-
Current maturities of long-term debt - From banks	-	12,538.40	12,538.40	-	-	-
Interest accrued but not due on borrowings	-	55.14	55.14	-	-	-
Interest accrued and due on Borrowing	-	9,530.05	9,530.05	-	-	-
Unclaimed Dividends	-	2.82	2.82	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	-	-	-	-	-	-
Total Financial Liabilities	**-**	**125,407.62**	**125,407.62**	**-**	**-**	**-**

	At 31 March 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	846.60	-	846.60	-	-	846.60
Security & Rent deposit	-	282.57	282.57	-	-	-
Other non-current Financial assets	-	0.64	0.64	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.83	-	0.83	0.83	-	-
(iii) Investment in Equity Instrument (Unquoted)	140.84	-	140.84	-	-	140.84
Current Financial assets						
Cash and cash equivalents	-	3,669.37	3,669.37	-	-	-
Loans and advances to related parties	-	84.86	84.86	-	-	-
Inter Corporate Deposits	-	875.04	875.04	-	-	-
Trade and other receivables	-	63,717.32	63,717.32	-	-	-
Earnest Money Deposit	-	21.42	21.42	-	-	-
Security & Rent deposit	-	124.78	124.78	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	192.12	-	192.12	-	192.12	-
Total Financial Assets	**1,180.39**	**68,776.00**	**69,956.39**	**0.83**	**192.12**	**987.44**

(All amounts in ₹ Lakhs, unless otherwise stated)

	At 31 March 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non Current Financial liabilities						
Rupee loan	-	6,181.67	6,181.67	-	-	-
Foreign currency loan	-	3,997.76	3,997.76	-	-	-
Vehicle Loans	-	26.50	26.50	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	3,101.33	3,101.33	-	-	-
Cash Credit / Packing Credit	-	70,089.48	70,089.48	-	-	-
Borrowings - Others	-	1,373.13	1,373.13	-	-	-
Trade payables	-	17,809.66	17,809.66	-	-	-
Acceptances	-	12,953.85	12,953.85	-	-	-
Security deposits	-	8.41	8.41	-	-	-
Current maturities of long-term debt - From banks	-	4,565.99	4,565.99	-	-	-
Interest accrued but not due on borrowings	-	212.32	212.32	-	-	-
Interest accrued and due on borrowings	-	-	-	-	-	-
Unclaimed Dividends	-	6.36	6.36	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	15.77	-	15.77	-	15.77	-
Total Financial Liabilities	**15.77**	**120,326.46**	**120,342.23**	**-**	**15.77**	**-**

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts	Market valuation techniques The Group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Not applicable	Not applicable
Unquoted equity shares	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	Investment in unquoted equity and preference shares
Opening Balance(1 April 2016)	975.88
Net change in fair value (unrealised) / Addition	11.56
Closing Balance (31 March 2017)	987.44
Opening Balance(1 April 2017)	987.44
Net change in fair value (unrealised)	(8.10)
Addition	-
Closing Balance (31 March 2018)	979.34

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The companies exposure are continuously monitored.Trade receivables consist of customers which are sovereign in nature, hence exposure to default on it contractual obligation is minimal. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix.

(All amounts in ₹ Lakhs, unless otherwise stated)

Impairment

At March 31, 2018, the ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2018	March 31, 2017
Not due	25,047.31	35,811.62
0-180 days	22,016.90	16,585.18
More than 180 days	17,241.54	16,832.83
	64,305.75	69,229.63

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings where-ever available.

At March 31, 2018, the Company's most significant customer accounted for ₹ 20,460.01 Lakhs of the trade and other receivables carrying amount (₹ 20,998.16 Lakhs).

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Carrying amount
Balance as at March 31, 2017	**5,512.31**
Impairment loss recognised	1,517.80
Amounts written off	-
Balance as at March 31, 2018	**7,030.11**

For the year ended March 31, 2018, there was an impairment loss of ₹ Nil (₹ 72.94 Lakhs) related to a customer that was due to price differences, excise duty difference and old balance no more receivable.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1,243.32 Lakhs at March 31, 2018 (₹ 2407.57 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with banks with good credit ratings.

ii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(All amounts in ₹ Lakhs, unless otherwise stated)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2018	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	7,501.00	8,484.76	7,092.83	1,391.94	-	-
Foreign currency term loans from banks (Incl. Current Maturities)	7,306.05	7,519.32	6,336.35	1,182.98	-	-
Working capital loans from banks	392.00	392.00	392.00	-	-	-
Cash Credit / Packing Credit	79,155.38	79,155.38	79,155.38	-	-	-
Acceptances	3,207.29	3,207.29	3,207.29	-	-	-
Borrowings - Others	2.08	2.08	2.08	-	-	-
Trade payables	18,246.40	18,246.40	18,246.40	-	-	-
Security deposits	9.41	9.41	9.41	-	-	-
Interest accrued but not due on borrowings	9,585.19	9,585.19	9,585.19	-	-	-
Unclaimed Dividends	2.82	2.82	2.82	-	-	-
Total non-derivative liabilities	**125,407.62**	**126,604.65**	**124,029.74**	**2,574.91**	-	-
Derivative financial liability						
Forward exchange contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	8,933.01	9,658.52	3,062.55	6,104.80	491.17	-
Foreign currency term loans from banks (Incl. Current Maturities)	5,838.91	7,732.54	2,282.20	4,911.39	538.95	-
Working capital loans from banks	3,101.33	3,101.33	3,101.33	-	-	-
Cash Credit / Packing Credit	70,089.48	70,089.48	70,089.48	-	-	-
Acceptances	12,953.85	12,953.85	12,953.85	-	-	-
Borrowings - Others	1,373.13	1,373.13	1,373.13	-	-	-
Trade payables	17,809.66	17,809.66	17,809.66	-	-	-
Security deposits	8.41	8.41	8.41	-	-	-
Interest accrued but not due on borrowings	212.32	212.32	212.32	-	-	-
Unclaimed Dividends	6.36	6.36	6.36	-	-	-
Total non-derivative liabilities	**120,326.46**	**122,945.60**	**110,899.29**	**11,016.19**	**1,030.12**	-
Derivative financial liabilities						
Forward exchange contracts	15.77	15.77	15.77	-	-	-
Total derivative liabilities	**15.77**	**15.77**	**15.77**	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

(All amounts in ₹ Lakhs, unless otherwise stated)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy. However price variation clause in contracts entered with customer protects Group from any impact due to changes in commodity prices

Currency risk

The Group is exposed to currency risk on account of its trade receivables, loans, borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 5.10	Sell
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.00	Buy

Group do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 52.85 USD 3.45	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.23	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2018 and April 1, 2017 are as below:

	March 31, 2018			
	USD	**EURO**	**MWK**	**Others**
Financial assets				
Current Assets				
Trade receivables	4,197.86	-	10.90	-
Less: Forward currency contract	342.94	-	-	-
Net Trade receivables	3,854.92	-	10.90	-
Loans	11,127.77	-	-	4.25
Cash & Cash equivalents	1.34	-	-	-
	14,984.03	-	10.90	4.25
Financial liabilities				
Long term borrowings	1,641.46	-	-	-
Short term borrowings	438.48	-	-	-
Trade and other payables	896.88	84.91	52.22	26.56
Less: Forward currency contract	-	81.83	-	-
Net Trade Payable	896.88	3.08	52.22	26.56
	2,976.80	3.08	52.22	26.56
Net exposure	**12,007.23**	**(3.08)**	**(41.32)**	**(22.31)**

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2017			
	USD	**EURO**	**MWK**	**Others**
Financial assets				
Trade receivables	5,687.30	-	1.24	-
Less: Forward currency contract	3,678.11	-	-	-
Net Trade receivables	2,009.19	-	1.24	-
Loans	-	-	-	-
Cash & Cash equivalents	18.72	-	52.38	0.48
	2,027.91	-	53.62	0.48
Financial liabilities				
Long term borrowings	2,132.00	-	-	-
Short term borrowings	2,688.46	-	-	-
Trade and other payables	425.62	90.42	5.45	2.75
Less: Forward currency contract	240.58	89.35	-	-
Net Trade Payable	185.04	1.07	5.45	2.75
	5,005.50	1.07	5.45	2.75
Net exposure	**(2,977.59)**	**(1.07)**	**48.17**	**(2.28)**
The following significant exchange rates have been applied during the year.				

	Average rate		**Year-end spot rate**	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
USD	66.78	67.09	65.64	64.84
EUR	74.04	73.61	79.37	69.25
MWK	0.09	0.09	0.09	0.09

MWK is Malawian Kwacha and the currency is being used in Malawi.

Other currencies includes Nepalese Rupee (NPR), Zambian Kwacha (ZMK), Singapore Dollar (SGD) and Swiss Franc (CHF)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments 1minated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	**Profit or loss / Equity**	
	Strengthening	Weakening
March 31, 2018		
3% movement		
USD	(360.22)	360.22
EUR	0.09	(0.09)
MWK	1.24	(1.24)
Others	0.67	(0.67)
	(358.22)	**358.22**

(All amounts in ₹ Lakhs, unless otherwise stated)

Effect in ₹	Profit or loss / Equity	
	Strengthening	Weakening
March 31, 2017		
3% movement		
USD	89.33	(89.33)
EUR	0.03	(0.03)
MWK	(1.45)	1.45
Others	0.07	(0.07)
	87.98	**(87.98)**

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and loans and advances. Borrowings issued at fixed rates and loans and advances exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(All amounts in ₹ Lakh, unless otherwise stated)

	March 31, 2018	March 31, 2017
Fixed-rate instruments		
Financial liabilities	**3,627.87**	18,482.02
	3,627.87	18,482.02
Variable-rate instruments		
Financial liabilities	**93,935.93**	83,807.68
	93,935.93	83,807.68
Total	**97,563.80**	102,289.71

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings and interest bearing financial assets are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
March 31, 2018		
Variable-rate instruments	(939.36)	939.36
Cash flow sensitivity (net)	**(939.36)**	**939.36**
March 31, 2017		
Variable-rate instruments	(838.08)	838.08
Cash flow sensitivity (net)	**(838.08)**	**838.08**

(All amounts in ₹ Lakhs, unless otherwise stated)

39. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital and capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

	As at March 31, 2018	As at March 31, 2017
Gross Debt	**97,563.80**	102,289.71
Less : Cash and cash equivalent	**1,243.32**	2,407.57
Adjusted net debt	**96,320.48**	99,882.14
Total equity	**12,714.17**	27,040.87
Adjusted equity	**12,714.17**	27,040.87
Adjusted net debt to adjusted equity ratio	**7.58**	3.69

40 Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the Parent company has only one reportable segment as follows:

- Transmission and Distribution Segment within Power Sector

  The Chairman of the Parent company acts as the Chief Operating Decision Maker ("CODM").

  The CODM evaluates the Parent company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the Group's revenue from Group's country of domicile and other countries.

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Revenue from the Country of Domicile- India	31,033.44	79,033.25
Revenue from foreign countries	8,531.36	7,704.59

C. Information about major customers

Revenue from single largest customers of the Company was ₹ 15,604.54 lakh is 39.44% of total sales(₹ 25,820.41 lakh is 29.77% of total sales)

41 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

42 RELATED PARTY DISCLOSURE AS PER IND AS 24

A Name of the related parties with whom transactions were carried out during the year

(i) Joint Ventures
Shyam Emco Infrastructure Limited
Kalinga Energy & Power Limited
PT Vardhaman Logistics
PT Vardhaman Mining Services
Rabaan (s) Pte. Limited.
PT Bina Insan Sukses Mandiri

(ii) Association of Persons
Arki Aviation

(All amounts in ₹ Lakhs, unless otherwise stated)

B Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) Key Management Personnel and their Relatives

Mr. Rajesh S. Jain

Mr. Shailesh S. Jain

Ms. Meenakshi Jain

Ms. Ratna S. Jain

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

Emco Foundation

Zarco Realities Private Limited (Formely known as Emco Investment Private Limited)

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March	
	2018	2017	2018	2017
Business Advance given				
Joint venture	134.40	267.92	1,417.83	1,417.83
Loan taken				
Entity having significant influence over the company	-	800.00	-	-
Business Advance received back				
Joint venture	102.40	102.40	-	-
Loan repaid				
Entity having significant influence over the company	-	800.00	-	-
Compensation paid to relative of key Managerial personnel				
Short term employee benefits*	32.86	32.86	-	-
Rent and Compensation				
Relative of Key managerial personnel	-	33.83	2.84	2.84
Rent Deposit given				
Relative of Key managerial personnel	-	-	100.00	100.00
Director Sitting Fees				
Key managerial personnel	1.30	1.60	-	-
Expenses incurred				
JV Company	-	5.70	1.08	1.08
Entity having significant influence over the company	46.07	86.08	51.08	51.08
Expenses recovered				
Joint Venture	-	4.62	-	-
Donation				
Entity having significant influence over the company	5.50	11.00	-	-

*This aforesaid amount does not includes amount in respect of gratuity and leave as the same is not determinable.

(All amounts in ₹ Lakhs, unless otherwise stated)

43 Additoinal disclosure as per requirement of Schedule III

For Year ended 31-Mar-2018

Sr. No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in OCI		Share in Total comprehensive income	
		As a % of Consoli-dated Net Assets	Amounts	As a % of Consoli-dated Net Assets	Amounts	As a % of Consoli-dated Net Assets	Amounts	As a % of Consoli-dated Net Assets	Amounts
	Parent Company								
1	Emco Ltd	166.87%	21,216.06	142.02%	(15,868.45)	100.00%	540.04	144.15%	(15,328.41)
	Indian Subsidiaries								
1	Emco Renewable Energy Ltd	0.04%	5.38	0.00%	0.03			0.00%	0.03
2	Shekhawati Transmission Service Company Ltd	10.74%	1,365.01	-0.08%	8.52			-0.08%	8.52
3	Emco Power Ltd	4.07%	517.30	0.00%	(0.55)			0.01%	(0.55)
4	Emco Infrastructure Ltd	0.00%	-	0.00%	-			0.00%	-
5	Emco Transmission Networks Ltd	0.00%	-	0.00%	-			0.00%	-
	Foreign Subsidiaries							0.00%	-
1	Emco Overseas Pte. Ltd	-86.52%	(11,000.45)	13.65%	(1,525.33)			14.34%	(1,525.33)
2	PT Setenco Investa Niaga	-40.93%	(5,203.49)	-25.75%	2,877.08			-27.06%	2,877.08
3	EMCO Global DMCC	-3.01%	(383.00)	1.97%	(220.00)			2.07%	(220.00)
	Joint Ventures (Investment as per the equity method)								
1	Shyam Emco Infrastructure Limited	0.04%	5.31	0.00%	(0.07)			0.00%	(0.07)
2	Kalinga Energy & Power Limited	0.00%	-	0.00%	-			0.00%	-
3	Rabaan (S) Pte Ltd	0.00%	0.01	0.00%	-			0.00%	-
4	PT Vardhaman Mining Services	0.00%	-	0.00%	-			0.00%	-
5	PT Vardhaman Logistics	0.62%	79.42	0.01%	(1.44)			0.01%	(1.44)
6	PT Bina Insan Sukses Mandiri	48.08%	6,112.62	-31.83%	3,556.45			-33.45%	3,556.45
	Total		**12,714.18**		**(11,173.75)**		**540.04**		**(10,633.71)**

44 Information of interest of the Group in its equity accounted investees:

	March 31, 2018	March 31, 2017
Interest in Joint Ventures	6,197.36	7,047.85
Total	**6,197.36**	**7,047.85**

[A] Interest in Joint Ventures

(I) List of material Joint Ventures of the Group

	Proportion of Ownership Interest		
Name	**Country of Incorporation**	**March 31, 2018**	**March 31, 2017**
PT Bina Insan Sukses Mandiri	Indonesia	37.37%	37.37%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table comprises the financial information of the Group's material Joint Venture and their respective carrying amount.

Particular	March 31, 2018 P T Bina Insan Suskes Mandiri	March 31, 2017 P T Bina Insan Suskes Mandiri
% Ownership interest	37.37%	37.37%
Total current assets	11,371.55	6,422.50
Total non-current assets	4,890.55	3,893.88
Total assets	16,262.10	10,316.38
Total current liabilities	13,040.55	9,052.67
Total non-current liabilities	240.26	166.60
Total liabilities	13,280.81	9,219.27
Net Assets (100%)	2,981.29	1,097.11
Group's share of net assets	1,114.01	409.95
Carrying amount of interest in joint venture	6,112.62	6,961.36
Goodwill on Acquistion	6,364.34	6,364.34
Carrying amount of interest in joint venture excluding goodwill	(251.72)	597.02
Revenues	35,862.94	20,783.46
Expenses	26,345.24	17,522.61
Profit for the year	9,517.70	3,260.85
% Share of Profit	37.37%	37.37%
Emco's share of profit	3,556.45	1,218.47
Considered in Consolidation	3,556.45	1,218.47

45 CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31st March, 2018	As at 31st March, 2017
I)	**Contingent Liabilities**		
	(to the extent not provided for)		
a)	Bank Guarantees outstanding as at the year end (gross) - (Secured)	49,093.17	59,141.30
b)	Letters of Credit outstanding as at the year end (Secured)	213.74	1,912.21
		8,338.20	
II)	**Legal Disputes**		
a)	Disputed amount of Sales Tax.	1,661.48	3,344.27
b)	Claim made by workmen for re-instatement. Matter Subjudice.	**Amount not ascertainable**	
c)	Disputed amount of Income Tax.	41.71	97.97
d)	Disputed amount of Excise duty	3,045.15	3,918.18
e)	Disputed amount of Service tax.	198.69	249.77
f)	Claims against Company not acknowledged as debt	678.48	834.73
III)	**Other Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6.01	38.13

(All amounts in ₹ Lakhs, unless otherwise stated)

46 PROVISION FOR WARRANTIES

	As at 31st March, 2018	As at 31st March, 2017
Warranty Provision		
Opening Balance	**218.63**	395.10
Provision for the year	213.78	(167.22)
Expenses during the year	**250.02**	9.26
Closing Balance	**182.39**	218.63

Note:

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products.

47 DISCLOSURE UNDER IND - AS 11 'CONSTRUCTION CONTRACTS'

	As at 31st March, 2018	As at 31st March, 2017
Contract Revenue recognised as revenue for the year ended	**18,162**	35,330
Aggregate amount of contract costs incurred and recognised profits (less sum of recognised losses and progress billings) up to 31st March for all the contracts in progress	**79,848**	109,503
The amount of customer advances outstanding for contracts in progress as at 31st March	**2,735**	1,337
The amount of retentions due from customers for contracts in progress as at 31st March	**2,815**	8,026

48 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

49 As at 31st March 2018 company has overdrawn credit facilities including interest of ₹ 50,255.37 Lakhs and other borrowings of ₹ 5,830.77 Lakhs that are due for repayment along with interest payable on such borrowings of ₹ 735.94 Lakhs. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, Company has approached its lenders to restructure the debts, which along-with the sale of non-core assets will result into improved liquidity and profitability and therefore these financial statements are prepared on going concern basis.

50 In the of one of the subsidiary companies, Shekhawati Transmission Services Limited, Financial closure of Project is delayed for the various reasons including the debt resolution plan of its Holding Company. Inspite of this as well as delays, management is confident about the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly, accounts for the year have been drawn on going concern basis.

51 Inventories as at 31st March, 2018 includes ₹ 2,491.62 lakhs at project sites which are lying unused for considerable period of time. Base on the technical evaluation, management is of the opinion that these inventories are in good conditions and can be utilised in projects in future.

(All amounts in ₹ Lakhs, unless otherwise stated)

52 Other Current Asset as at 31st March, 2018 includes revenues of ₹ 5793.92 lakh recognised in earlier years under percentage completion method which are yet to be billed as per the contractual terms. These projects are almost completed and at final reconciliaton stage with customers. In view of the management, the invoices would be raised on the customers as per contractual terms on hand over of the projects, completion of reconciliation procedures and amendment in contract wherever required.

53 Balances of Trade Receivable , Trade Payable, Loans and Advances and other balances are as per books of account and subject to confirmation and reconciliation, if any. In the opinion of the management balances shown under these heads have approximately the same realisable value as shown in the accounts.

54 Impairment testing of Goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on Higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment. Goodwill is arising on account of acquisition of subsidiary company i.e. Shekhawati Transmission Service Company Ltd.

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

55 As per Section 135 of the Companies Act 2013, nothing is to be incurred on corporate social responsibility activity, however the company has spent ₹ 6.28 Lakhs (₹ 11.52 Lakh) during the year.

Details of Amount spent towards CSR given below:

Particulars	**2017-18**	**2016-17**
Education	5.12	11.08
Others	1.16	0.44
Total	**6.28**	11.52

56 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 30th May 2018.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. 101720W

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141

Mumbai, 30th May, 2018

For and on behalf of Board

Sd/-
R. S. Jain
Chairman & Managing Director
DIN:00005829

Sd/-
S. S. Jain
Vice Chairman
DIN:00006180

Sd/-
Ganesh Tawari
Chief Financial Officer
& Company Secretary
ICSI. M.No. A12896

Notes

inspired by tomorrow

REGISTERED OFFICE:

N-104, MIDC Area, Mehrun
Jalgaon - 425 003, Maharashtra, India
Tel: +91-257 - 2272 462 / 572
Fax: +91-257- 2272 598
Email: emco.jalgaon1@emco.co.in

HEAD OFFICE:

Plot No. F-5, Road No. 28, Wagle Industrial Estate,
Thane (W) - 400 604, Maharashtra, India
Tel: +91-22-4040 4500
Fax: +91-22-2582 0571 / 2583 0527
Email: emco.corporate@emco.co.in

CORPORATE OFFICE:

1st Floor, Piramal Tower, Peninsula Corporate Park,
G. Kadam Marg, Lower Parel,
Mumbai - 400 013, Maharashtra, India
Email: emco.corporate@emco.co.in

REGIONAL OFFICES:

NEW DELHI

Flat No. 401/411/412
Devika Tower
6, Nehru Place
New Delhi - 110 019, Delhi, India
Tel: +91-11 4161 8856
Email: emco.delhi@emco.co.in

KOLKATA

2/203, Om Tower
2nd Floor, 32, Chowringhee Road
Kolkata – 700 071, West Bengal, India
Tele Fax: +91-33 2226 4925
Mob: +91-9903892717
Email: emco.kolkata@emco.co.in

PANCHKULA

S.C.O. 34, First Floor,
Cabin No. 7 & 7A, Sector-11
Panchkula-134109, Haryana, India
Tele Fax: +91-172 504 0117
Email: emco.panchkula@emco.co.in

53rd ANNUAL REPORT 2017-18

Founded in 1964, EMCO LIMITED is one of India's leading products and solutions providers up to 765 kV/ ± 800 kV for power generation, transmission, distribution utilities and industry. It has more than 15 offices and 4 state-of-the-art manufacturing plants across India which are accredited by Bureau Veritas for ISO: 9001, ISO: 14001, OHSAS: 18001 and ISO: 27001. EMCO has been supplying its products and solutions to its customers comprising electric utilities and Industries in India and abroad in more than 50 countries internationally in conformance with National and International Standards like IS, IEC, ANSI, etc.

Based on a strong foundation of technology and with an in-house R&D facility that works on cutting-edge technology, EMCO system adapts to the continually evolving needs of the modern world in a customer-centric, environmentally sensitive and sustainable manner.

EMCO

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Substations

Transmission Towers and lines

Services

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