

Annual Report 2010-11

# FOCUS



✓ Customer Centric



✓ Employee Friendly



✓ Stakeholder Value



✓ India Empowered

POWER TRANSMISSION  
POWER DISTRIBUTION  
INDUSTRIAL POWER DISTRIBUTION  
SOLAR

## EMC at a Glance

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### Performance Highlights

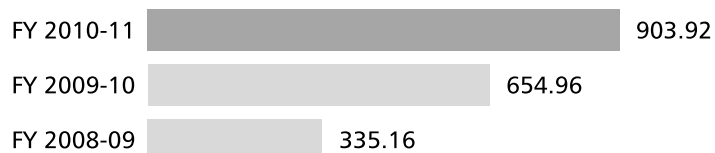
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(₹ in crores)

Particulars	2010-11	2009-10	2008-09
Turnover	903.92	654.96	335.16
EBITDA	72.96	45.16	29.96
PAT	42.17	24.28	16.86
PAT Margin (%)	4.67%	3.71%	5.03%

### Turnover

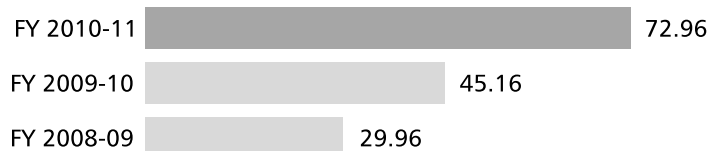
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₹904  
crores

### EBITDA

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₹73  
crores

## CONTENTS

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- 4 Chairman's Message
  - 7 Vision and Mission
  - 8 MD's Message
  - 16 Management Discussion & Analysis
- 

- 28 Human Resources
  - 32 EMC Academy
- 

### **Standalone Financial Statements**

- 35 Directors' Report
- 50 Auditors' Report
- 52 Balance Sheet
- 53 Profit and Loss Account
- 54 Notes and Schedules
- 67 Cash Flow Statement

### **Consolidated Financial Statements**

- 69 Auditors' Report
  - 70 Balance Sheet
  - 71 Profit and Loss Account
  - 72 Notes and Schedules
  - 81 Cash Flow Statement
-



## **765 kV S/C Seoni-Mewad transmission line**

## COMPANY INFORMATION

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### Board of Directors

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Mr. Sunder Lal Dugar	: Non-Executive Chairman
Mr. Manoj Toshniwal	: Managing Director
Mr. Ramesh Chandra Bardia	: Joint Managing Director
Mr. Suraj Mall Singhi	: Non-Executive Independent Director
Mr. Saubir Bhattacharyya	: Non-Executive Independent Director
Mr. Arun Kumar Dutta	: Non-Executive Independent Director
Mr. Praveen Chandra Sood	: Executive Director
Mr. Durga Prasad Sharma	: Executive Director

### Company Secretary

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Mr. Chandra Sekhar Adhikary

### Auditors

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M/s. S.N. Banerjea & Co. : Chartered Accountants

### Bankers

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State Bank of India

Allahabad Bank

Punjab National Bank

UCO Bank

Corporation Bank

### Registered Office

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Constantia Office Complex, (South Block), 8<sup>th</sup> Floor, 11,

Dr. U.N. Brahmachari Street, Kolkata – 700 017

Tel: 2289 3122-4, Fax: 2289 3121

E-mail: info@emcpower.com

Website: www.emcpower.com

### Registrar & Transfer Agent

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Maheshwari Datamatics Pvt. Ltd.,

6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata - 700 001

Tel: 2243 5809, 2243 5029 Fax: (033) 2248 4787

E-mail: mdpl@cal.vsnl.net.in

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## Chairman's Message

“With a rich pedigree in the EPC industry, EMC is poised to lead the way in inspiring greater business wins in this sector.”

Dear Shareowners,

Thinking over the events of the past year, I am drawn to the immortal words of Oliver Wendell Holmes who said “The great thing in the world is not so much where we stand, as in what direction we are moving.” It encapsulates the fervour enveloping your Company whilst negotiating the twists and turns of India’s growth story. As a nation on the forefront of economic expansion, India is primed to receive the benefits of significant financial investment. The key factor in India’s growth is infrastructure and improvements therein will lead to inclusive socio-economic prosperity.

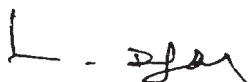
With a rich pedigree in the EPC industry, EMC is poised to lead the way in inspiring greater business wins in this sector. At the same time, I am determined to ensure a humanistic approach to achieving growth. Although we are witnessing steady rural to urban migration trends, I wholeheartedly believe that the nation’s future lies in the socio-economic progress of every citizen, regardless of geography.

To this end, the past year has seen EMC striving to improve its business model. We have reached out to over 1 million customers and are poised to increase this in the coming years. It is my personal wish to see electricity become available to every home and school across the nation, so that no child lives in the darkness of ignorance. Your Company wishes to contribute to the spirit of entrepreneurship by ensuring adequate power is available to every businessman across India.

We take immense pride in the nation's achievements over the past six decades. Simultaneously, this must spur us to become further empowered. Inclusive infrastructure wherein development ensures local infrastructural growth, employment and minimisation of displacement is a must. Through holistic, rural development programmes that address the growing socio-economic divide between the rich and poor, I am confident that we can synergistically build a better India.

I take this opportunity to thank all our stakeholders – employees, shareholders, financial institutions, suppliers and customers for their unshakeable faith in and support for EMC. In the coming year, your Company stands on the cusp of a surge towards greater growth. Together with other forces of progress, we endeavour to bring long-term prosperity to India.

Regards,



S L Dugar

## EMC Focus

**“ It is .....  
my personal wish  
to see electricity  
become available  
to every home and  
school across the  
nation, so that  
no child lives in  
the darkness of  
ignorance.”**



**EMC Beliaghata Factory at Kolkata, West Bengal**





## Our Vision

Setting the standard of excellence in modern global power systems.

## Our Mission

To be a global provider of outstanding, end-to-end integrated power solutions in transmission lines, sub-stations, and industrial power distribution projects through state-of-the-art technology, supported by experienced professionals, thereby enhancing scalability, providing clean energy, expanding business and empowering lives.



## MD's Message

“To ensure last-mile connectivity and an equal connect between power generation, evacuation, carriage and end-distribution, significant capital expenditure in transmission lines and substations will be needed in the next five years.”

Dear Shareowners,

As I pen EMC's report card and performance highlight for the year 2010-11, I must say we are living in interesting times, globally and in India. While advanced nations are preparing to revitalize their economies, Rapidly Developing Economies (RDE) in Asia and Africa will drive global and local growth in the next decade. This will result in significant economic investments in domestic economies, creating a significant impact through improved infrastructure, better standards of living for people and an inclusive socially-empowered society.

I wish to highlight how India is one of the most attractive countries which will benefit from this growth trajectory. With over a billion consumers, we believe that infrastructure growth will be critical for this story to play out successfully. One of the biggest impediments to India's growth is its failing infrastructure. In the power



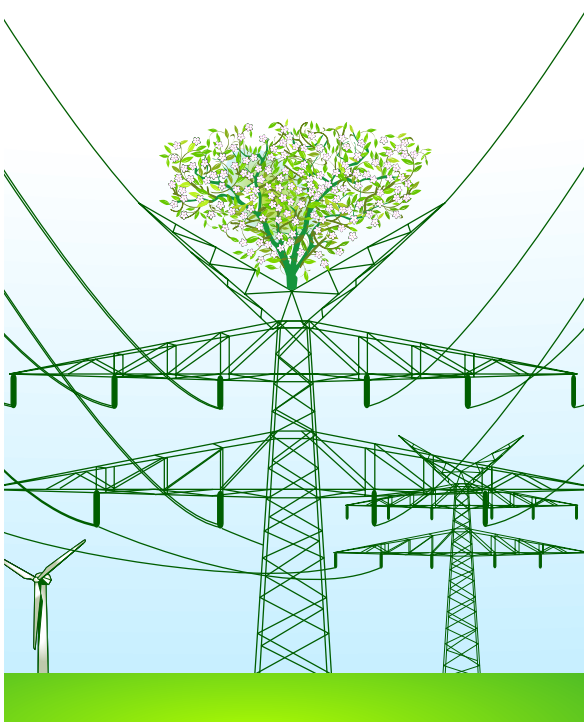
sector, a key challenge is that factors like land acquisition and local employment must be dealt with effectively and speedily if power projects are to be executed on time.

According to the Central Electricity Authority (CEA), riding on the back of increased capacity addition, power generation in the country rose more than 8% to 70.4 billion units (bu) in June 2011 as compared to 64.8 bu in June 2010, the same period a year ago. Power generation all over India grew 8.6% year-on-year (YoY) to 70 bu, led by an increase in installed capacity by 10 GW (10,000 MW) over the past 12 months and higher plant load factors (PLFs) of nuclear and hydro plants. This is certainly good news as timely project execution will be a key to bridging the demand-supply power gap.

While in the next section, the MDA speaks about the power sector in greater detail, let me delve directly into Transmission and Distribution (T&D) as an industry and its criticality in making the Government of India's 'Power to all' by 2012 under the National Electricity Policy a resounding success. According to a recent CRISIL report, power demand in India is estimated to grow at 7.8% between 2010 and 2015, which will require 95 GW of power capacity to be added in the next five years even though in the past five years only 33 GW additions has been made.

To ensure last-mile connectivity and an equal connect between power generation, evacuation, carriage and end-distribution, significant capital expenditure in transmission lines and substations will be needed in the next five years.

Between  
2010 and 2015  
95GW of Power  
capacity is  
required to be  
added



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“A single pillar FOCUS – to be the best and a leader among EPC companies.”

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As all of us are aware, the current power infrastructure, especially transmission lines, are ageing and need urgent strengthening of the existing networks and also to upgrade to higher strength to avoid T&D losses due to fluctuations, tripping and other issues.

To further strengthen the existing system and evacuation of power from new power plants, a target of 95,283 circuit km (ckm) of transmission lines is planned for the 11<sup>th</sup> Plan and 155,000 ckm to 180,000 ckm during the 12<sup>th</sup> Plan. Growth in transmission systems will include not just physical growth in the transmission network but also the introduction of higher transmission voltages for bulk power transmission with the aim of limiting transmission losses. Over the next five years (2010-15), investments worth ₹ 3.4 trillion are expected to be made in T&D as compared to ₹ 1.64 trillion made during 2005-10.

Surely, a ₹ 3.4 trillion investment in the T&D sector presents a significant opportunity for players like us in the transmission line EPC segment. The market opportunity is so huge that it also ensures that each of the significant players have high growth opportunities as no single player

can cater to the demand and leading players will have to share the business opportunity.

This brings me to the next issue, which is the key strength of EMC: execution and focus. I think the most critical part for T&D players in general and EMC in particular will be the ability to execute projects on or before time within project costs and deliver world-class technology and reliability to customers. At the heart of every successful EPC company is its project management and execution capabilities.

Today EMC's success is based on a single pillar FOCUS – to be the best and a leader among EPC companies with single-minded focus on the power and energy sector. We look to build significant engineering, project management, human resource and local-area knowledge skills to become India's fastest growing and profitable EPC Company in this space. We believe that it is our focus on detail that helps distinguish us from others and adds a quality to the value we provide. To ensure the same, we have built the EMC Academy. The purpose is to build a large talent pool of technically trained manpower by imparting training on the most recent practices and techniques in the field of transmission line projects. This in turn would promote the individual by improving employability; in tandem the



38% Year-on-Year  
topline growth

industry would profit with increased availability of specialized professionals.

Investments in technology, international partners, and state-of-the-art manufacturing units have facilitated the process of delivery, by reducing time, and attaining a better-quality finish. It is this zeal for perfection that drives us to deliver the best time and again.

Indeed, our continued focus on consolidation resulted in a reduction in debt. The Company's commitment to the pursuit of improvement, progress and growth enabled it to deliver an excellent performance this year. We delivered high returns to our stakeholders despite tough global conditions. The Company posted a top line of ₹ 903.92 crores, a growth of 38.0% and Profit after Current Year Tax recorded 73.0% growth to ₹ 42.17 crores this year.



With the Indian economy on a high growth curve, bridging the demand-supply gap will be a key issue in the coming years. The Electricity Act, 2003 specifies long-term open entry to private power producers for inter-state transmission of electricity. As the sector garners private players, we expect investment in power sector in India to continue.

In view of the persistent stimulus being given to the enlargement of power sector by the Government, major power utilities in the country have considered ambitious and substantial growth of EHV Transmission Lines comprising 765 kV, 400 kV, 220 kV etc. With a robust economy growth, our healthy order book position of more than ₹ 2,200 crores, adequate manufacturing and engineering capabilities, together with access to state-of-art global technologies, the management is positive about continued and improved profitable growth of the Company in coming years.

We would like to believe that the relentless spirit to provide end-to-end and integrated engineering solutions to the consumers are the legs on which future performance will continue to be delivered. I see the Company acting on the following points in a critical way:

- Expand its focus on other verticals i.e. HV substations up to 765 kV, APDRP Rural distribution projects & Industrial Power Distribution System

- Increase its manufacturing strength by setting up a Greenfield factory
- Explore opportunities in overseas markets as emerging markets like Africa continue to offer immense opportunities
- Look at opportunities of working with the Indian Railways modernisation and expansion plans. Our past experience of working with the India Railways will be put to renewed use in our endeavour

For EMC, responsibility towards the advancement of society is as important as doing business. We remain dedicated to sustainable development, focusing on the precedence of good governance, and creating value for all our stakeholders. Our focus has always been on executing the best practices and technologies that help increase efficiency in cost, quality, time and safety. We have set up the EMC Academy in Kolkata which will help us develop and create a pool of trained manpower to focus on our execution capabilities and impart technical education in the field of power systems.

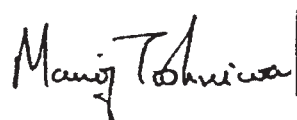
With improved infrastructure spending by the government, coupled with various power projects expected in India and abroad, the EPC companies foresee sustainable growth opportunities in the

Order Book Position  
₹2,200  
crores

years to come. With a superior order book and a strong team in place to execute them, we are positive of a quantifiable rise in the coming financial year.

On behalf of the Company, I thank all stakeholders – employees, shareholders, bankers and financial institutions, suppliers and our customers for their renewed support. As a company, we are proud to be a significant contributor to the journey of making India a POWERful nation.

Regards,



Manoj Toshniwal



**33/11 kV Power Substation at Nardiganj, Bihar under RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) scheme**





Power Transmission



Power Distribution



Industrial Power  
Distribution



Solar





# Management Discussion & Analysis

## Economic Overview

The global economy showed a noteworthy rebound in the last financial year reducing the worries of double-dip recession that some had predicted. India maintained its growth thrust on the foundation of strong fundamentals of the economy. The growth was driven by the inherent strength of the country's domestic demand, complemented by well-formulated monetary policies of the Reserve Bank of India and the fiscal stimulus provided by the Government of India from time to time.

Large investment plans by the Government of India across various sectors, rising per capita income and increase in rural and urban spending is expected to further accelerate economic growth in the coming years. Though fears of soaring inflation and lack of liquidity in India cannot be overlooked, developments in the latter part of 2010 indicate that infrastructure spending will continue to be the top priority of the Government.

## Global Scenario

The International Energy Agency (IEA) estimates that backed by strong growth in China, OECD and India, global power generation is likely to increase by 4800 GW by 2030. China, OECD Europe, OECD North America and India will add 3191 GW of power generation, accounting for 67% of global power addition by 2030 and the Power Transmission and Distribution sector has strong growth prospects for the years to come. This growth will be driven by huge investments in grid

interconnection projects, networks for new power generation capacities and replacement of old existing networks.

Globally, major transmission networks are shifting from low-voltage to high-voltage transmission line. At present, most transmission lines are preferred on 765 kV and High Voltage DC transmission lines. The high-voltage DC transmission market is likely to grow by 44% by 2015. EMC is making serious efforts to use this growth opportunity in High-Voltage DC transmission by leveraging its expertise in 765 kV transmission line projects to bring major business for the Company.

### **Power Scenario in India**

Estimated Power Sector investment for 11<sup>th</sup> Plan was ₹ 6.7 trillion (32% of total ₹ 20 trillion for Infrastructure Sector) of which the Centre, State and Private Sector were to contribute 38%, 32% and 28% respectively. The 12<sup>th</sup> Plan envisaged doubling the investment in infrastructure to ₹ 40 trillion of which investment in the Power Sector is estimated at ₹ 11.35 trillion. Per capita consumption in India for FY10 was 700 units (vis-à-vis 2802 units in China), which is expected to increase to 805 and 1100 units in FY12 and FY17 respectively.

The Central Electricity Authority (CEA) has projected an energy shortfall of 10.3% and a peak shortage of 12.9% in the country during 2011-12. It has estimated capacity addition of 17,191 MW during 2011-12, comprising 14,111 MW of thermal, 2,080 MW of hydro and 1,000 MW of nuclear power stations.

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The **12<sup>th</sup>** plan  
envisaged doubling  
the investment in  
infrastructure to  
**₹40 trillion**  
of which  
investment in the  
Power Sector is  
estimated at  
**₹11.35 trillion**

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## Power Supply in 2011-12

Particulars	Energy (Mu)	Peak (Mu)
Requirement	9,33,741	1,36,193
Availability	8,37,374	1,18,676
Surplus/ shortage	-96,367	-17,517
Surplus/ shortage (%)	-10.30	-12.90

Source: Central Electricity Authority (CEA)

The demand for power is minimal in India as reflected in load-shedding and peak deficit. However, the rural electrification program and higher expenditure in manufacturing and infrastructure will drive demand further. Sustaining GDP growth at 8-9% will need the power sector to grow at 9-10%.

## Industry Outlook and Opportunities

The Government remains focused on power sector reforms in line with its agenda of 'Power to all by 2012'. Complemented by the national electricity policy over the past few years, government policy has spurred increased investment in capacity addition, development of the country's transmission network, power trading and power distribution improvements. The demand for power is likely to increase from around 180 GW at present to 315 to 335 GW by 2017. (Source: McKinsey)

The key drivers for this growth are:

- India's manufacturing sector
- Rising residential consumption
- The connection of 1,25,000 villages to the grid
- Realization of demand suppressed due to load-shedding

The Centre has targeted capacity addition of 100 GW each in the 12<sup>th</sup> Five Year Plan (2012-17) and 13<sup>th</sup> Five Year Plan (2017-22). The Indian power sector has the fifth largest electricity generation capacity in the world and the world's third largest transmission and distribution network.

### Trends in T&D segment

₹ in crores

Segment	Investment	
	11 <sup>th</sup> Plan	12 <sup>th</sup> Plan
Transmission	1,40,000	2,40,000
% of total power capex	17	21
Distribution	2,87,000	4,00,000
T&D capex as % of total	34	35

Source: Central Electricity Authority (CEA)

**D**emand for Power to increase to 315 to 335<sub>GW</sub> by 2017

### Power Transmission

Transmission sector orders depend mainly on the power generation capacity. The Government is focusing on investments in power generation to ease the power shortage in the country. To reinforce the existing system and evacuation of power from new power plants expected during the 11<sup>th</sup> and 12<sup>th</sup> Plans, significant number of transmission lines are planned. The Government has committed a total capex of ₹ 2,40,000 crores to power transmission, an increase of 71% over the 11<sup>th</sup> Plan.

Upgrade and replacement of existing transmission lines to higher voltage would enhance the requirement for transmission towers. There is a huge opportunity as a target of 100 GW capacity additions is envisaged in the 12<sup>th</sup> Plan, which



will require significant investment both in the public and private sectors. This, in turn, would transform to additional investments in the T&D segment. PGCIL and state transmission utilities will continue to lead the investments, with approximately 85% share in both the 11<sup>th</sup> and 12<sup>th</sup> Plans.

A major proportion of power plants are currently being set up in the eastern and north-eastern regions of the country that would feed states facing power shortages in the northern, western and southern regions. These regional deficits necessitate building of a strong inter-regional transmission network. The Power Grid Corporation has set a target of 32,650 MW of inter-regional power transfer capacity by FY12 from about 24,400 MW in FY11.

Also, a host of merchant power plants are likely to be commissioned over the next 5 to 7 years. This would require spare capacity on the grid to transmit power to required locations at a reasonable price to consumers. A reliable evacuation and transmission system is therefore critical for the rapidly growing needs of the Indian power sector.

### **Distribution**

In the substations space, the focus in the 11<sup>th</sup> Plan was mainly on the 220 kV and 400 kV substations. However, the 12<sup>th</sup> Plan is expected to focus on increasing capacity in the 400 kV and 765 kV substations space. In the Rural

Electrification space, the Central Government has been taking several steps through various schemes such as the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in which the Government offers 90% capital subsidy for projects. The main aim of the scheme is to electrify over 1,00,000 un-electrified villages and to grant free electricity connections to 2.34 crore rural, Below Poverty Level (BPL) households. The Restructured-Accelerated Power Development and Reforms Programme (RAPDRP), with an expenditure of ₹ 50,000 crores, is another scheme aimed at strengthening the urban distribution networks.

## Opportunities in Global Markets

Considerable investments in T&D segment are expected to be made over 2010-15 around the world. Investments worth USD 158 billion are estimated in West Asia, Africa and North America. According to the IEA's World Energy Outlook 2009 Report, emerging markets such as Africa continue to offer immense opportunities with total estimated investment in the region expected to be approximately USD 21 billion in Transmission and USD 42 billion in Distribution segments from 2008-2015. The Company is escalating/ exploring major power opportunities in the Africa region.



The main aim of the scheme is to grant free electricity connections to 2.34 crore rural Below Poverty Level (BPL) households

## Opportunities in the sector

- **Promotion of Private sector participation**  
Over the years, the Government has comprehended the importance of private sector participation. The Electricity Act, 2003 was a pivotal point in the reforms process that removed the need for licenses for generation projects, supported competition through international competitive bidding, recognized transmission as a separate activity and stimulated wider public and private sector participation in the power sector.
- **Upgrading existing T&D network**  
Lower investment in the T&D infrastructure over the years has necessitated strengthening of existing networks. There are huge plans for the inter-regional and intra-state power transfer capacity.



- **Focus on efficiency**

India has suffered average aggregate technical and commercial (AT&C) losses of around 33%. This is due to old-fashioned distribution infrastructure and poor monitoring systems. As a result the Government introduced the Restructured Accelerated Power Development and Reforms Programme (RAPDRP). Under this scheme, the Government will execute projects to create and improve IT applications which, in turn, will be followed by transforming and renovating existing distribution networks.

## **Financial Performance**

On the back of strong execution, net sales for the year 2010-11 stood at ₹ 903.92 crores, a growth of 38.0% over the previous year. Earnings before interest, depreciation and tax (excluding other income) during the year ended March 31, 2011 increased by 61.5% to ₹ 70.32 crores. The EBITDA margin improved by 113 bps to 7.8%. Profit before tax increased by 72.9% to ₹ 63.14 crores.

Tax for the year stood at ₹ 25.96 crores an increase of 112.2% over the previous year as it included nearly ₹ 5 crores of deferred tax credit for earlier years. Profit after current year tax increased by 73.7% to ₹ 42.17 crores. EPS stood at ₹ 11.27 per share.



## Operational Highlights

EMC secured a number of orders during the year, taking its total order book to ₹ 2,207 crores as on March 31, 2011. The Company possesses its own fabrication and galvanizing plants for manufacturing towers with an installed capacity of 30,000 MT per annum. In last couple of years our Company has executed many projects in the range of 400 kV - 765 kV like 765 kV S/C Seoni-Mewad transmission line (133 kms), 400 kV D/C Tirunelveli - Udumalpet transmission line (135kms), 400 kV D/C RAPP 5&6 - Kankroli transmission line (97 kms) etc. Further during the year, our company successfully completed 400 kV D/C Udumalpet-Arasur; Neyveli-Sriperumbudur and 400 kV S/C Ramagundam - Khammam Transmission Lines (92 kms), and handed over to PGCIL. Apart from this, the Company received orders worth ₹ 1,631 crores from Power Grid Corporation of India Ltd (PGCIL) for construction of 765 kV D/C, 765 kV S/C & 400 kV D/C transmission lines.

Apart from orders from PGCIL, the Company also has orders from Transmission Corporation of Andhra Pradesh Ltd. (AP Transco). Currently two Contracts for Turnkey Construction of 400 kV D/C Transmission Lines from Vijayavada to Suryapet (96 kms) and Bhoopalapally to Gajwel (93 kms) valuing ₹ 189 crores are under execution.

The **EBITDA**  
margin improved  
by **113** bps  
to **7.8%**

Furthermore, the Company has also received two more Turnkey Contracts from AP Transco for Construction of 400 kV (Quad) D/C Transmission Lines from Krishnapatnam to Bonapally (91 kms) and from Bonapally to Chittoor (97 kms) valuing ₹ 391 crores.

In the substations space, the Company executed the prestigious 2 x 315MVA, 400/220kV New Pirana substation comprising of 12 Bays under the Power Grid Corporation of India near Ahmedabad, Gujarat. Being an EPC project, this includes total civil construction of Control Room Buildings, Foundations for EHV Equipments, Fire Fighting Systems, Back up DG Power, total infrastructure development, supply of all equipments except power transformers but including SCADA/ PLCC systems as a whole. The Company has also done complete design engineering and undertaken



erection of all equipments and auxiliary units followed by satisfactory commissioning and charging departmentally. The substation with the state-of-art SCADA system technology has been commissioned and given for operation to PGCIL.

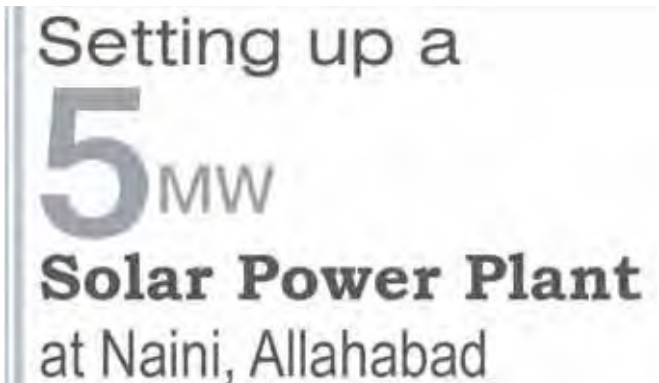

In the distribution segment, the Company has been associated in establishing various power substations in the 33/11 voltage class and 11 kV LT line/ BPL connections in the Nawada, Jahanabad and Arwal districts of rural Bihar. The Company has already completed about 12 Nos 33/11kV new PSS and RNM substations and electrified more than 50,000 BPL/ APL consumers spread over more than 1,100 villages/ blocks. Most of the above power substations and village electrification works have been charged and handed over to PGCIL/ BSEB in the current year. In the coming year, we will concentrate on the process of closing the activities by fulfilling the final requirements of clients as per RE-RGGVY Scheme.

In the industrial distribution segment, the Company has been handling the expansion project of SAIL/ ISP, Burnpur (WB) under the Central Government. The Company has been awarded the complete 33 kV/ 6.6 kV Indoor Power Distribution System, Plant Area Electrification, BOF-CCP Plant Electrification and Earthing Network including about 6.5 km Underground Cable Tunnel and about 2 km Overhead Cable Bridge as an EPC work. The scope includes primarily 13 Nos LBDS Indoor Sub-stations comprising of

23 Nos 21.5 MVA 33/ 6.6 kV Power Transformer, 25 Nos 2-2.5 MVA Distribution Transformer, 10 Nos 4 MVA Transformers of different Voltage Class, 72 Nos 33 kV Breaker Panels, 725 Nos 6.6 kV Switchgear Panels and most advanced SCADA/PLCC Systems for MIS requirement, Supervisory Control and Data Acquisitions integrating to 220/132/ 33 kV MRS and respective Iron/ Steel Units. All the above systems are being designed from basic to detailed/ as built design engineering scheme followed by erection and commissioning. It may be added that above 6 to 7 LBDS substations are now in process of charging very soon, followed by others subsequently. The major part of area electrification works have been completed and are running satisfactorily.

### **Commitment to Green Energy**

The Company is committed towards clean and green energy. It is setting up a 5 MW solar power plant at Naini, Allahabad under the Government of India's Jawaharlal Nehru National Solar mission. The Company has signed the power purchase agreement with NTPC Vidyut Vyapar Nigam ensuring a sale for the next 25 years. The environment-friendly plant provides sustainable and renewable energy. The Company will also earn carbon credits from this plant. Implementation of the project has already begun and will be completed in FY 2011-12.



Setting up a  
**5**<sup>MW</sup>  
**Solar Power Plant**  
at Naini, Allahabad

### **Risks**

The execution of many transmission projects could be delayed due to local disturbances and ROW issues. Besides, execution delays could happen due to shortage of manpower, delays in receipt of environmental clearances, approvals, natural calamities etc.

EPC projects are capital intensive and require considerable working capital. Higher interest rates could affect the profitability.

### **Adequacy of Internal Control**

The Company has in place adequate internal control systems and procedures appropriate with the size and nature of its business. The efficiency of the internal controls is constantly examined by the Audit Committee of the Company. The Internal Audit Department's main purpose is to provide to the Audit Committee and the Board of



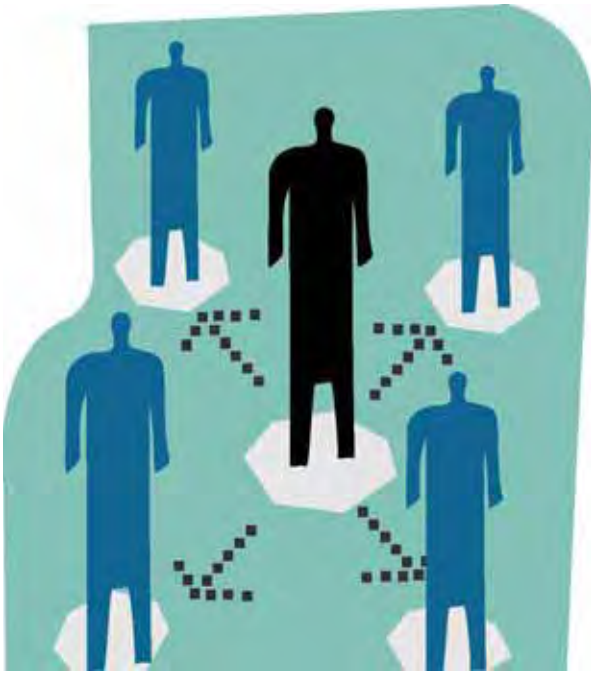
**EMC employees at work on the 765 kV Fathepur-Agra  
Transmission Line in Uttar Pradesh**



Directors an independent, objective and practical assurance of the adequacy and effectiveness of the Organization’s risk management, control and governance processes. It also follows up on the accomplishment of corrective actions and expansion in business processes after review by the Audit Committee and Senior Management.

### Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations maybe “Forward-looking statements” within the meaning of applicable securities laws and regulations. However, actual result could differ from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in the Company operates, changes in Government Regulations, tax laws and other statutes and other incidental factors. ❖



# POWER to the Employee

“Our employees are like extended members of our family.”


– Henry Ford

EMC has emerged as a strong player in the Transmission & Distribution sector mainly due to the dedication and hard work of our employees. As we grow, it is imperative that we build a strong leadership pipeline to sustain and build on the Company’s success story. Keeping this in mind, the HR team has focused on developing a strong team capable of taking greater business responsibilities.

A key challenge that the EPC sector in general and T&D-led EPC companies in particular face is the shortage of manpower. Therefore, building a robust people strategy is the key to EMC’s success and stupendous growth. With over 1,500 employees, we have a healthy mix of engineers, finance professionals and general management roles.

We have built strong Human Resource and Talent Development policies that follows a 3-pronged strategy to hire talent.

- 1. Recruit the best:** The HR Team believes in hiring the finest talent available in the industry. Our talent acquisition process follows a scientific methodology that helps us recruit the right talent for the right job. While we are an engineering company, we believe our people should be highly qualified in terms of both professional and human skills.

- 
- 2. Retain the best:** Over the years, we have built a set of employee-centric values and processes that help us attract, retain and develop our key talent. Since we believe that two-way communication between employees and supervisors/ managers is crucial to the success of the company, we have introduced various communication measures like open forums, family meets, company events and an employees' magazine. We believe that the Company's performance is dependent upon our employees' productivity, motivation and pride in being a part of the EMC family.
  - 3. EmPOWERed employees:** At the core of our employee policy is a comprehensive HR program that maps the individual's personal and career goals with the Company's growth. For EMC to become a leader and a global player, we believe that we need empowered employees who identify and align the Company's goals with their own, thus creating a motivated workforce. The Company ensures that all employees are provided with an intellectual and knowledge platform showcasing their skills that not only benefit the Company but the industry as a whole.

EMC practices employee welfare measures to ensure safety and industrial standards and norms as per the laws of the country. We believe that our employees need to be emPOWERed to drive the Company's future growth. ❖

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**Building**  
a robust people  
strategy  
is the key to EMC's  
success **and**  
**stupendous**  
**growth**

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## 1960-1970

The first company in India to have in-house design facility and tower testing facility

## 1955-1960

Sets up its first conductor factory. This is followed by setting up of extrusion and forging units and its first transmission line factory

## 1953

Company established





# Legacy & Milestones

## 2011

First batch of 5MW solar power plants to sign PPA with NTPC Vidyut Vyapar Nigam Ltd. Completed 400 kV sub-station at Pirana for PGCIL

## 2000-2010

Completes one of the first 765 kV Single Circuit Line projects in India

## 1990-2000

The first company to obtain ISO certification for the transmission Lines

## 1980-1990

The first company to supply hardware units to NTPC

The highlights of our journey have been built on

**V**ision,  
**P**ersistence  
and **C**ourage.

We commemorate the special moments of **EMC** and learn from our experiences, inspiring us to greater heights.

2011

2000

1990

1980



# EMC Academy

“I hated every minute of training, but I said, “Don’t quit. Suffer now and live the rest of your life as a champion.”

– Muhammad Ali

The shortage of skilled manpower in the Transmission & Distribution sector has emerged as a primary challenge to the EPC industry. This scarcity has often slowed down the industry’s efforts to accelerate the pace of power capacity addition both domestically and internationally. As one of the leading players in the EPC industry, we realized that the availability of trained manpower is key to our growth and supply of personnel for our increased business activity.

The EMC Academy was set up in Kolkata as part of our HR initiative to address the concern of trained manpower shortage in the T&D sector. The Institute imparts technical education; after training the students are better prepared for the rigors of this industry. Aiming to create a large pool of technical, supervisory and managerial talent, the Academy currently has the capacity to train over 1,600 students annually which will increase over a period of time.

Currently, training is imparted to EMC employees as well as external candidates from other EPC and power companies. The program is divided in two parts

with both theoretical and practical training being part of curriculum that has been developed in-house based on years of on-ground experience. It covers all aspects of the electrical industry. One highlight of our technical education program is the hands-on training in tower erection, stringing, switchyard equipment and protection which provides the students with excellent skills to face the various industry demands.

The Academy will help EMC build a talented pool of employees to meet the ever-growing business needs of the Company. These employees will also stand to benefit from the invaluable education by honing their technical, supervisory and leadership skills. Over a period of time, the EMC Academy will create a pool of trained manpower ideal for the T&D-led EPC industry, benefitting the industry as a whole. As a company on the forefront of the T&D sector, we believe this initiative will create the leaders of tomorrow. ❖

As one of the **leading players** in the **EPC industry**, we realized that the **availability of trained manpower is key to our growth and supply of personnel for our increased business activity.**

# Financial Information



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Fifty-Fifth Annual Report of your Company and the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2011.

## FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31<sup>st</sup> March, 2011 is summarized below:

	2010-11 ₹	2009-10 ₹
<b>INCOME</b>		
Income from Operation	9,03,92,46,281	6,54,96,18,592
Other Income	2,64,42,872	1,62,29,115
	9,06,56,89,153	6,56,58,47,707
<b>EXPENDITURE</b>		
Manufacturing and Other Expenses	8,33,60,33,172	6,11,42,68,846
Interest	8,31,68,917	7,63,53,900
Depreciation	1,50,79,119	1,00,84,517
	8,43,42,81,208	6,20,07,07,263
<b>PROFIT BEFORE TAX</b>	63,14,07,944	36,51,40,444
Deferred Tax Credit for Current Year	(3,24,92,962)	(12,23,38,991)
Provision for Tax	(17,72,44,972)	—
<b>PROFIT AFTER CURRENT YEAR TAX</b>	42,16,70,010	24,28,01,453
Deferred Tax Credit for Earlier Years	(4,98,64,087)	—
Balance Brought Forward	(10,01,21,998)	(34,29,23,451)
Proposed Dividend	(3,30,00,000)	—
Income Tax on Proposed Dividend	(54,80,888)	—
<b>Balance Carried to Balance Sheet</b>	23,32,03,038	(10,01,21,998)
Paid Up Share Capital	33,00,00,000	33,00,00,000

## FINANCIALS

The total income of your Company has increased to ₹ 9,06,56,89,153/- from ₹ 6,56,58,47,707 in the previous financial year. The profit before tax (PBT) increased from ₹ 36,51,40,444 to ₹ 63,14,07,944. The profit after tax (PAT) for the current year is ₹ 42,16,70,010/- as against ₹ 24,28,01,453 in the previous financial year.

## CONSOLIDATED ACCOUNTS

The Ministry of Corporate Affairs (MCA) has granted general exemption to companies by General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011, under Section 212(8) of the Companies Act, 1956, from attaching individual accounts of subsidiary companies with the Annual Report of the Holding Company. Accordingly, the Board of Directors of your Company has, by resolution, given consent for not attaching the Balance Sheet and Profit & Loss Account and other documents of its subsidiaries in the Annual Report of your Company for the period and financial year ended on 31<sup>st</sup> March, 2011.

The Board of Directors of your Company at its meeting held on 21<sup>st</sup> July, 2011 approved the Audited Consolidated Financial Statements for the financial year 2010-11 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries and forms part of this report.

## SUBSIDIARIES

Your Company had seven subsidiary companies during the financial year ended 31<sup>st</sup> March, 2011, namely, EMC Hardware Limited, EMC Solar Limited, EMC Power Limited, EMC Energy Limited, EMC Logistics Limited, EMC Infrastructure Limited and EMC Academy Limited.

# Directors' Report

The detailed financial statements and audit reports of each of the subsidiaries are available for inspection at the registered office of your Company during office hours between 11 a.m. to 1 p.m. and upon written request from a shareholder, your Company will arrange to send the financial statements of subsidiary companies to the said shareholder.

Your Company has also incorporated a new subsidiary company during the current financial year by the name EMC Overseas Limited.

## **DIVIDEND**

Your Board has recommended a Dividend of ₹ 1 per Equity Share (10 per cent) for the Financial year 2010-11 to the Equity shareholders of your Company. The Dividend for the Financial year 2010-11 shall be subject to tax on dividend to be paid by your Company but will be tax-free in the hands of the shareholders.

## **FIXED DEPOSITS**

Your Company has not accepted any fixed deposits during the financial year 2010-11 and there are no outstanding fixed deposits from the public as on 31<sup>st</sup> March, 2011.

## **INSURANCE**

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Energy conservation continued to be an area of priority. Continued efforts on rationalization of demands in manufacturing locations and increase in production volume resulted in the saving of energy compared to the earlier years. Your Company has used modern technology to install solar power plants and thereby generating solar energy.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company has incurred ₹1163.95 lakhs (previous year ₹ 4.45 lakhs) towards foreign exchange expenditure during the financial year under review and has earned ₹ Nil (previous year ₹ 158.07 lakhs) foreign exchange during the said period.

## **PARTICULARS OF EMPLOYEES**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i. In the preparation of the Annual Accounts for the financial year ended on 31<sup>st</sup> March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year under review;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors have prepared the Annual Accounts for the financial year ended on 31<sup>st</sup> March, 2011 on a going concern basis.

## **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, a separate report on Corporate Governance is annexed as part of the Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

# Directors' Report

## DIRECTORS

During the financial year under review, Mr. Punyapriya Dasgupta, Whole-time Director designated as Director (Operations) of the Company resigned and ceased to be a Director w.e.f. 6<sup>th</sup> November, 2010. The Board wishes to place on record its appreciation for the valuable services rendered to the Company by Mr. Punyapriya Dasgupta during his association with the Company.

During the financial year 2010-11, the Board of Directors appointed three Directors i.e. Mr. Praveen Chandra Sood as Whole-time Director designated as Director (Business Development) (w.e.f. 23<sup>rd</sup> October, 2010), Mr. Arun Kumar Datta (w.e.f. 28<sup>th</sup> January, 2011) and Mr. Saubir Bhattacharyya (w.e.f. 22<sup>nd</sup> February, 2011) as Additional Directors (Category - Non-Executive Independent Director).

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunder Lal Dugar and Mr. Suraj Mall Singhi, Directors of the Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The brief resume of the aforesaid Directors and other information have been detailed in the Notice.

## AUDITORS

M/s. S. N. Banerjee & Co., Chartered Accountants, the Auditors of your Company will hold office till the conclusion of the ensuing Annual General Meeting. The retiring Auditors have not offered themselves for re-appointment. It is proposed to appoint M/s. SRB & Associates, Chartered Accountants having Registration No. 310009E allotted by The Institute of Chartered Accountants of India (ICAI), as Auditors of your Company in place of the retiring Auditors. Your Company has obtained a written consent from M/s. SRB & Associates, Chartered Accountants, to the effect that their appointment, if made, will be within the limits specified under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors of your Company recommend the appointment of M/s. SRB & Associates, Chartered Accountants, as the Auditors of your Company.

## APPRECIATION

Your Directors wish to place on record their appreciation for the co-operation received from the Government of West Bengal and the Bankers and look forward for such co-operation in the future as well. Your Directors would like to express their grateful appreciation to all the employees at all levels for their hard work, solidarity, co-operation and support during the financial year. Your Directors also wish to place on record their deep appreciation to customers, shareholders, vendors, suppliers and other stakeholders for their continued support.

For and on behalf of the Board

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Joint Managing Director

# Annexure to the Directors' Report

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy

Corporate Governance is about commitment of values and about ethical business conduct. It is about how an organization is managed. Our Corporate Governance philosophy stems from the belief that business strategy and plans should be consistent with the welfare of all stakeholders and should be in line with the national economic policies of the Government of India. The Company has always focused on good corporate governance and believes that corporate governance is not just limited to creating checks and balances, it is more about creating organization excellence leading to increasing employee and customer satisfaction and shareholder value.

### 2. Board of Directors

- i) The Company has in all eight Directors with considerable professional experience in divergent areas connected with corporate functioning. The Board is headed by Mr. Sunder Lal Dugar, the Non-Executive Chairman of the Company, Mr. Manoj Toshniwal, the Managing Director and Mr. Ramesh Chandra Bardia, the Jt. Managing Director of the Company and is entrusted with the substantial power of management of the Company subject to superintendence, control and directions of the Board.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than five Committees across all the companies in which he is a Director.
- iii) During the financial year under review, Mr. Punyapriya Dasgupta, Whole-time Director designated as Director, Operations, of the Company resigned and ceased to be a Director w.e.f. 6<sup>th</sup> November, 2010. Three directors were appointed viz. Mr. Praveen Chandra Sood as Whole-time Director, designated as Director, Business Development (w.e.f. 23<sup>rd</sup> October, 2010), Mr. Arun Kumar Datta (w.e.f. 28<sup>th</sup> January, 2011) and Mr. Saubir Bhattacharyya (w.e.f. 22<sup>nd</sup> February, 2011) as Additional Director (Category - Non-Executive Independent Director). Two Directors, Mr. Sunder Lal Dugar and Mr. Suraj Mall Singhi, who had retired by rotation at the last Annual General Meeting and being eligible for reappointment, were re-appointed by the shareholders.

During the financial year under review, five Board Meetings were held i.e. on 14<sup>th</sup> April, 2010, 26<sup>th</sup> July, 2010, 23<sup>rd</sup> October, 2010, 28<sup>th</sup> January, 2011 and 22<sup>nd</sup> February, 2011. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships held by Directors is mentioned below:

Name of Director	Category of Director	Attendance Particulars		No. of Directorships in other bodies corporate <sup>1</sup>	No. of Chairmanship/ Membership of Board Committees in other Companies <sup>2</sup>		No. of Equity Shares held
		Board Meetings	Last AGM		Chairman	Member	
Mr. Sunder Lal Dugar	P/ Chairman/ NED	5	Yes	10	Nil	Nil	199020
Mr. Manoj Toshniwal	P/MD	5	Yes	8	Nil	Nil	900000
Mr. Ramesh Chandra Bardia	P/ Jt. MD	4	Yes	7	Nil	Nil	1900000
Mr. Suraj Mall Singhi	I/ NED	4	No	2	Nil	Nil	Nil
Mr. Arun Kumar Datta **	I/ NED	0	NA	3	Nil	3	Nil
Mr. Saubir Bhattacharyya **	I/ NED	NA	NA	1	Nil	Nil	Nil
Mr. Praveen Chandra Sood *	ED	1	NA	—	Nil	Nil	Nil
Mr. Durga Prasad Sharma	ED	5	Yes	—	Nil	Nil	Nil
Mr. Punyapriya Dasgupta #	ED	3	No	—	—	—	—



# Annexure to the Directors' Report

P	Promoter	MD	Managing Director
ED	Executive Director	NED	Non-Executive Director
I	Independent		

- # Mr. Punyapriya Dasgupta ceased to be a Director w.e.f. 06.11.2010.
- \* Mr. Praveen Chandra Sood was appointed as a Whole-time Director designated as Director, Business Development w.e.f. 23.10.2010.
- \*\* Mr. Arun Kumar Datta and Mr. Saubir Bhattacharyya were appointed as Additional Directors (Category - Non-Executive Independent Director) w.e.f. 28.01.2011 and 22.02.2011 respectively.
- <sup>1</sup> The Directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships held in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- <sup>2</sup> In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committees and Shareholders'/ Investor Grievance Committees in all Public Limited Companies have been considered.

## 3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/ internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

### a) Terms of Reference

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement of the statutory auditor, fixing of audit fees and approving payments for any other services.
- Discussion with the statutory auditors before the audit commences of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly/ half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - i) any changes in accounting policies and practices;
  - ii) major accounting entries based on exercise of judgment by management;
  - iii) qualifications in draft audit report;
  - iv) significant adjustments arising out of audit;
  - v) the going concern assumption;
  - vi) compliance with accounting standards;
  - vii) compliance with stock exchange and legal requirements concerning financial statements;
  - viii) any related party transactions as per Accounting Standard 18.
- Reviewing the Company's financial policies.
- Reviewing with management quarterly, half-yearly, nine months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.

## Annexure to the Directors' Report

- Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.
- Reviewing the statements of significant related party transactions, the financial statements and/ or investments made by the unlisted Subsidiary Companies.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

### b) Composition

The Audit Committee at present comprises of three members, all being Non-Executive Independent Directors viz. Mr. Suraj Mall Singhi (Chairman), Mr. Arun Kumar Datta and Mr. Saubir Bhattacharyya. During the financial year ended on 31<sup>st</sup> March, 2011, the Committee met four times i.e. on 14<sup>th</sup> April, 2010, 26<sup>th</sup> July, 2010, 23<sup>rd</sup> October, 2010, and 28<sup>th</sup> January, 2011 and the attendance of the members at the Audit Committee meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Suraj Mall Singhi	Chairman	4
Mr. Manoj Toshniwal**	Member	4
Mr. Ramesh Chandra Bardia**	Member	4
Mr. Durga Prasad Sharma**	Member	4
Mr. Punyapriya Dasgupta *	Member	3
Mr. Arun Kumar Datta **	Member	NA
Mr. Saubir Bhattacharyya **	Member	NA

\* Mr. Punyapriya Dasgupta ceased to be a Director and hence a member of the Audit Committee w.e.f. 06.11.2010

\*\* During the financial year under review, the Audit Committee was reconstituted at the Board Meeting held on 22<sup>nd</sup> February, 2011 by inducting Mr. Arun Kumar Dutta and Mr. Saubir Bhattacharyya as members of the Audit Committee. Mr. Manoj Toshniwal, Mr. Ramesh Chandra Bardia and Mr. Durga Prasad Sharma ceased to be members of the Audit Committee w.e.f. 22<sup>nd</sup> February, 2011.

At the invitation of the Committee, the Internal Auditors and Statutory Auditors also attended the Audit Committee Meetings as and when required to answer and clarify the queries raised at the Meetings. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

### 4. Remuneration of Directors

- The Directors are paid remuneration by way of salary and sitting fees wherever applicable. The Company pays sitting fees of ₹ 10,000 per meeting to the Non-Executive Directors for attending the meeting of the Board and ₹ 5,000 for attending the meeting of Audit Committee and Remuneration Committee.

# Annexure to the Directors' Report

Details of remuneration paid to Directors during the financial year ended 31<sup>st</sup> March, 2011:

(Figures in ₹)

Name of the Director	Salary, Perquisites & Allowance	Commission	Sitting Fees	Total
Mr. Sunder Lal Dugar	-	-	-	-
Mr. Manoj Toshniwal	52,51,613	-	-	52,51,613
Mr. Ramesh Chandra Bardia	50,00,000	-	-	50,00,000
Mr. Suraj Mall Singhi	-	-	40,000	40,000
Mr. Arun Kumar Datta **	-	-	-	-
Mr. Saubir Bhattacharyya **	-	-	-	-
Mr. Praveen Chandra Sood *	9,45,645	-	-	9,45,645
Mr. Durga Prasad Sharma	26,40,028	-	-	26,40,028
Mr. Punyapriya Dasgupta #	14,61,621	-	-	14,61,621

# Mr. Punyapriya Dasgupta ceased to be a Director w.e.f. 06.11.2010.

\* Mr. Praveen Chandra Sood was appointed as a Whole-time Director designated as Director, Business Development w.e.f. 23.10.2010.

\*\* Mr. Arun Kumar Datta and Mr. Saubir Bhattacharyya were appointed as Additional Directors (Category – Non-Executive Independent Director) w.e.f. 28.01.2011 and 22.02.2011 respectively.

## b) Service Contract, Notice Period and Severance Fees

The employment of Mr. Manoj Toshniwal, Mr. Ramesh Chandra Bardia, Mr. Praveen Chandra Sood and Mr. Durga Prasad Sharma are contractual.

## c) Stock Option Details, if any

Nil

## d) Remuneration Policy

The Policy Dossier prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites. The remuneration policy is in consonance with the existing industry practice.

## e) Remuneration Committee

The Company has a Remuneration Committee comprising of three non-executive independent directors. The Committee was re-constituted on 22<sup>nd</sup> February, 2011. Mr. Arun Kumar Datta is the Chairman of the Committee and Mr. Suraj Mall Singhi and Mr. Saubir Bhattacharyya are the other two members.

The Remuneration Committee met once on 23.10.2010 during the year under report and the meeting was attended by all the members of the Committee on the said date.

## 5. Investors' Grievance Committee

### a) Terms of Reference

The Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/ annual reports, approval of physical shares, etc.

### b) Composition

At present the Committee comprises of three members. Mr. Saubir Bhattacharyya, a Non-Executive Independent Director is the Chairman of the Committee. The other members of the Committee are Mr. Manoj Toshniwal and Mr. Ramesh Chandra Bardia.

The Committee oversees the performance of M/s. Maheshwari Datamatics Private Limited, the Registrar & Share Transfer Agent of the Company and recommends measures to improve the level of investor related services. The Committee deals with the applications for subdivision and consolidation of share certificates and issue of duplicate share certificates, etc. The Committee also keeps a close watch on all complaints/ grievances of shareholders.

# Annexure to the Directors' Report

## Details of Compliance Officer:

Name : Mr. Chandra Sekhar Adhikary  
Designation : Company Secretary  
Address : "Constantia Office Complex", South Block, 8<sup>th</sup> Floor, 11, Dr. U. N. Brahmachari Street, Kolkata - 700 017  
Phone : 033-22893122/ 23/ 24, 033-40158829  
Fax : 033-22893121  
E-mail : info@emcpower.com  
Website : www.emcpower.com

## E-mail Id earmarked for redressing Investors queries in terms of Clause 47(f) of the Listing Agreement is info@emcpower.com

During the financial year under review, transfer of 1,165 shares and transmission of 200 shares were effected. There were no share transfer/ transmission application pending for registration as on 31<sup>st</sup> March, 2011. The Company did not receive any complaint from the members during the financial year ended on 31<sup>st</sup> March, 2011.

During the financial year ended on 31<sup>st</sup> March, 2011 the committee met ten times i.e. on 14<sup>th</sup> April, 2010, 30<sup>th</sup> April, 2010, 15<sup>th</sup> July, 2010, 16<sup>th</sup> August, 2010, 15<sup>th</sup> September, 2010, 13<sup>th</sup> October, 2010, 15<sup>th</sup> November, 2010, 30<sup>th</sup> November, 2010, 15<sup>th</sup> January, 2011 and 15<sup>th</sup> March, 2011 and the attendance of the members at the Investors' Grievance Committee meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Saubir Bhattacharyya*	Chairman	—
Mr. Manoj Toshniwal	Member	10
Mr. Ramesh Chandra Bardia	Member	9
Mr. Punyapriya Dasgupta**	Member	6

\* Mr. Saubir Bhattacharyya was appointed as the member and Chairman w.e.f. 22.02.2011

\*\* Mr. Punyapriya Dasgupta ceased to be a Director and hence a member w.e.f. 06.11.2010

## 6. General Body Meetings

The venue and the time of the last three Annual General Meetings of the Company are as follows:

Financial Year	Date	Time	Location
2009-10	07.09.2010	10:30 a.m.	Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani, Kolkata - 700 017
2008-09	15.09.2009	10:30 a.m.	Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani, Kolkata - 700 017
2007-08	25.09.2008	10:30 a.m.	Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani, Kolkata - 700 017

All Special Resolutions set out in the Notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

None of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by the Postal Ballot Mechanism.

## 7. Disclosures

- There are no materially significant related party transactions of the Company, in general, which have potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years.

# Annexure to the Directors' Report

- iii) The Company, in general, has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement.
- iv) Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were disclosed before the Board.
- v) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.
- vi) The Company has complied at its best and as far as it was practically possible and feasible to it with all the mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement. The extent of compliance of the following non-mandatory requirements are given below:
  - a) With regard to training of Board Members, the Directors of the Company are continuously trained in the business model of the Company and the risk profile of business parameters through various presentations at Board/ Committee Meetings.
  - b) With regard to Whistle Blower Policy, the Company is examining the formulation and implementation of the same, after which the same would be submitted to the Board.

## 8. Means of Communication

- i) Since the financial results in respect of each quarter and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board/ Committee and also published in 'The Financial Express', in English and 'Kalantar', in Bengali in Kolkata editions, the same were not separately sent to the shareholders.
- ii) The Company's official website is [www.emcpower.com](http://www.emcpower.com).
- iii) No presentation was made to any Institutional Investors or to any Analyst during the year under review.

## 9. General Shareholders' Information

### i) 55<sup>th</sup> Annual General Meeting

**Date** : 26<sup>th</sup> August, 2011

**Time** : 10:30 a.m.

**Venue** : Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani, Kolkata - 700 017

### ii) Tentative Financial Calendar

Financial Year	1 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2012
Result for the quarter ending 30 <sup>th</sup> June, 2011	by 14 <sup>th</sup> August, 2011
Result for the quarter ending 30 <sup>th</sup> September, 2011	by 14 <sup>th</sup> November, 2011
Result for the quarter ending 31 <sup>st</sup> December, 2011	by 14 <sup>th</sup> February, 2012
Result for the year ending 31 <sup>st</sup> March, 2012	by 30 <sup>th</sup> May, 2012
Annual General Meeting	September, 2012

### iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> August, 2011 to 26<sup>th</sup> August, 2011 (both days inclusive) for the purpose of holding 55<sup>th</sup> Annual General Meeting of the Company convened on 26<sup>th</sup> August, 2011.

### iv) Listing on Stock Exchange and Stock Code

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Limited. The Stock Code is 10015045. Under the depository system, International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE950A01018. Annual listing fee for the year 2011-12 has been paid by the Company.

### v) Market Price Data

There has been no trading of the Equity Shares of the Company on the Stock Exchange. Accordingly the question of comparison of the prices of Company's shares with the broad-based indices does not arise.

# Annexure to the Directors' Report

## vi) Registrar & Share Transfer Agent

The Company has appointed M/s. Maheshwari Datamatics Private Limited as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondences, shares for transfer, transmission, demat/ remat requests and other communications in relation thereto should be mailed/ hand delivered to the said RTA directly at the following address:

### M/s. Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata - 700 001. Tel: 22435809/ 22435029 Fax: (033) 22484787

E-mail: mdpl@cal.vsnl.net.in

## vii) Share Transfer System

After the requests for transfer/ transmission of shares in physical form are approved by the Investors' Grievance Committee the same is sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. Share transfer requests, if found valid and complete in all respect, are normally effected within a period of 15 days from the date of receipt. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchange.

## viii) Distribution of Shareholding

The distribution pattern of shareholding of your Company as on 31<sup>st</sup> March, 2011 is as follows:

Category of Shareholders	No. of Shares	% of Shareholding
<b>(A) Shareholding of Promoter and Promoter Group</b>		
<b>(A1) Indian</b>		
(a) Individuals/ Hindu Undivided Family	1,23,20,224	37.334%
(b) Bodies Corporate	2,04,73,889	62.0421%
<b>Sub Total (A1)</b>	<b>3,27,94,113</b>	<b>99.3761%</b>
<b>(A2) Foreign</b>		
(a) Individuals/ Hindu Undivided Family	—	0.00%
(b) Bodies Corporate	—	0.00%
<b>Sub Total (A2)</b>	<b>—</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A1)+(A2)</b>	<b>3,27,94,113</b>	<b>99.3761%</b>
<b>(B) Public Shareholding</b>		
<b>(B1) Institution</b>		
(a) Financial Institutions/ Banks	50	0.0002%
(b) Insurance Companies	5,000	0.0152%
<b>Sub Total (B1)</b>	<b>5,050</b>	<b>0.0153%</b>
<b>(B2) Non-Institution</b>		
(a) Bodies Corporate	8,051	0.0244%
(b) Individual Holding		
(i) Nominal Share Capital upto ₹ 1 Lakh	1,92,786	0.5842%
(ii) Nominal Share Capital in excess of ₹ 1 Lakh	—	0.00%
<b>Sub Total (B2)</b>	<b>2,00,837</b>	<b>0.6086%</b>
<b>Total Public Shareholding (B)=(B1)+(B2)</b>	<b>2,05,887</b>	<b>0.6239%</b>
<b>Total (A)+(B)</b>	<b>3,30,00,000</b>	<b>100.00%</b>

# Annexure to the Directors' Report

Distribution of shareholding of the Company by number of shares held as on 31<sup>st</sup> March, 2011 is as follows:

	Shareholders		Shareholding	
	Number	%	Number	%
Upto - 500	1,225	94.376	1,26,637	0.3837
501 - 1000	36	2.7735	27,500	0.0833
1001 - 2000	12	0.9245	16,550	0.0502
2001 - 3000	1	0.077	2,950	0.0089
3001 - 4000	2	0.1541	6,800	0.0206
4001 - 5000	1	0.077	5,000	0.0152
5001 - 10000	3	0.2311	20,450	0.0620
10001 & Above	18	1.3867	3,27,94,113	99.3761
<b>Total</b>	<b>1,298</b>	<b>100</b>	<b>3,30,00,000</b>	<b>100</b>

## ix) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are traded in dematerialised form at The Calcutta Stock Exchange Limited under depository systems with both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. About 78.59% of the Equity Shares of the Company have already been dematerialized as on 31<sup>st</sup> March, 2011.

## x) Outstanding GDRs/ ADRs/ Warrants or Convertible Instrument

The Company had never issued any GDRs/ ADRs/ Warrants or Convertible Instrument.

## xi) Address for Correspondence

### Electrical Manufacturing Company Limited

Registered Office: Constantia Office Complex  
11, Dr. U. N. Brahmachari Street, (South Block),  
8<sup>th</sup> Floor, Kolkata - 700 017  
Tel : 22893122/ 23/ 24  
Fax : 22893121  
E-mail : info@emcpower.com

### M/s. Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata - 700 001  
Tel : 22435809/ 22435029  
Fax : (033) 22484787  
E-mail : mdpl@cal.vsnl.net.in

## 10. CEO/ CFO Certificate

The Managing Director and the Head of the Finance and Accounts function has certified to the Board the particulars as stipulated vide Clause 49.V of the Listing Agreement.

## 11. Management Discussion & Analysis Report

The same has been dealt in the Annual Report separately and forms part of the Corporate Governance Report.

## 12. Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to, *inter alia*, prevent insider trading in the shares of the Company.

# Annexure to the Directors' Report

## 13. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company and the Company is in the process of posting the same at the Company's Website at [www.emcpower.com](http://www.emcpower.com). The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report.

## 14. Cautionary Statement

Details given here in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those Expressed or implied.

## 15. Certificate

The Company has obtained a Certificate from CS A. K. Labh, Practising Company Secretary of M/s. A. K. Labh & Co., Company Secretaries regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is enclosed herewith.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

For and on behalf of the Board

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Joint Managing Director



# Certificate on Corporate Governance

To the Members of  
**Electrical Manufacturing Company Limited**

We have examined the compliance of conditions of Corporate Governance by **M/s. Electrical Manufacturing Company Limited** for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement with the stock exchanges and as amended by the SEBI vide its Circular dated 09<sup>th</sup> October, 2004 and as implemented by the Company for the year under report.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the share transfer agent.

We further state that such compliances 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 A. K. LABH & CO.**  
Company Secretaries

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**(CS A. K. LABH)**  
Proprietor  
C.P. - 3238

# Declaration by Chief Executive Officer

I, Manoj Toshniwal, Managing Director of Electrical Manufacturing Company Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the financial year ended on 31<sup>st</sup> March, 2011 compliance with the Code of Conduct of the Company laid down for them.

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

# Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We, Manoj Toshniwal, Managing Director and Yamini More, DGM (Finance) of Electrical Manufacturing Company Limited, certify:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March, 2011 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 existing 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 financial year ended on 31<sup>st</sup> March, 2011 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 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 such 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 financial year;
  - ii) significant changes in accounting policies during the financial 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.

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Yamini More**  
DGM – Finance & Accounts

# Auditors' Report

To the Members of  
Electrical Manufacturing Co. Ltd.,

1. We have audited the attached Balance Sheet of Electrical Manufacturing Company Limited as at 31<sup>st</sup> March, 2011 and the attached Profit and Loss Account and Cash Flow statement for the year ended on that date and annexed there to. These financial statements are the responsibility of the Company's' management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified therein.
4. Further to our comments in the Annexure report referred to in paragraph 3 above, we report that:-
  - i) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Book of Accounts as submitted to us.
  - ii) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - iii) Read together with notes, in our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as it appears from our examination of those books.
  - iv) Read together with notes, in our opinion, the Profit and Loss Account and the Balance Sheet comply with the accounting standards as are applicable to the Company.
  - v) On the basis of information and explanations given to us and representation received from the Directors of the Company, we report that no Director is disqualified from being appointed as Director of the Company under Clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with Note 1(i) &1(vii) regarding accounting policy and treatment of gratuity annexed to the Accounts vide Schedule 14 provide the information required and give a true and fair view in conformity with the accounting principles generally acceptable in India subject to:
    - Leave Salary is paid on cash basis. No provision has been made for leave encashment, the accumulated amount of which is ₹ 92.82 lakhs.
    - due to change in the basis of treatment of gratuity from cash to accrual basis, profit for the year is reduced by ₹ 242.69 lakhs
      - a) In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
      - b) In case of the Profit and loss account, of the Profit for the year ended on that date; and
      - c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S.N.BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

# Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our attached report of even date)

1. a) The Company has maintained reasonable records showing full particulars including quantitative details and location of its fixed assets on the basis of available information.
- b) i. In our opinion, physical verification of all fixed assets has been carried out by the management at reasonable intervals in respect of valuable items. Assets of small value like tools and mould have not been verified.  
ii. No material discrepancies were noticed on such verification in respect of those items for which proper records have been maintained and verification carried out.
- c) The Company has not disposed off a substantial part of its fixed assets during the year and in our opinion, the going concern status of the Company is not affected.
2. a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management except loose tools and spares.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) i. In our opinion the Company is maintaining proper records of inventory.  
ii. No Material discrepancies were noticed on physical verification.  
iii. In our opinion, there are no material discrepancies on verification
3. The Company has not granted/ taken loans secured/ unsecured to/ from Companies, firms or other parties covered in the register maintained u/s 301 of the Act.
4. In our opinion, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and for sale of goods.
5. There is no transaction exceeding the value of ₹ 5 Lakhs in respect of any party in any one financial year that need to be entered into register in pursuance of Section 301 of the Act.
6. The Company has not accepted deposit from public during the period.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. The Company is not required to maintain cost records under Clause (d) of sub-section 209 of the Act.
9. The Company is regular in depositing undisputed statutory dues including provident fund/ investors education and protection fund/ employees state insurance/ income tax/ wealth tax/ custom duties/ Excise duties/ cess / sales tax, and other statutory dues with the appropriate authority.
10. The Company has no accumulated losses at the end of the financial year.
11. According to the information and explanations given to us, the Company has not defaulted in re-payment of dues to financial institution during the year.
12. The Company has not granted loans and advances on the basis of security by way of Shares/ debenture and other securities.
13. Clause 13 of CARO 2003 is not applicable to this Company as it is not chit fund/ mutual benefit fund/ societies.
14. Clause 14 of CARO 2003 is not applicable to this company as the Company is not dealing or trading in shares/ securities/ debentures and other Investment.
15. Clause 15 of CARO 2003 is not applicable to this company as the Company has not given any Guarantee for loans taken by others from Bank/ Financial Institution.
16. Term loans have been applied for the purposes for which the loans have been obtained by the Company.
17. The Company has not used the funds raised on short term basis for long-term investment and vice-versa.
18. The Company has not made preferential allotment of shares during the year.
19. Clause 19 of CARO 2003 is not applicable to this Company as the Company has not issued any debenture.
20. Clause 20 of CARO 2003 is not applicable to this Company as the Company has not made any public issue of shares during the year.
21. As explained to us and on the basis of our verification, no fraud on or by the Company has been noticed or reported during the period.

For **S.N. BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

# Balance Sheet as at 31<sup>st</sup> March, 2011

	Schedule No.	As at 31 <sup>st</sup> March, 2011 ₹		As at 31 <sup>st</sup> March, 2010 ₹	
<b>SOURCE OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Capital	1	33,00,00,000		33,00,00,000	
Reserves and Surplus	2	50,95,23,634	83,95,23,634	27,65,33,667	60,65,33,667
<b>LOAN FUNDS</b>					
Secured Loans	3	10,15,44,691		27,82,43,030	
Unsecured Loans		17,25,40,536	27,40,85,227	4,95,04,098	32,77,47,128
<b>DEFERRED TAX (NET)</b>	6	58,98,178		—	
<b>TOTAL</b>		1,11,95,07,038		93,42,80,795	
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	4	50,67,07,896		33,90,94,898	
Less: Depreciation		21,76,12,453		20,23,20,263	
Net Block		28,90,95,443		13,67,74,635	
Add: Capital Work-in-Progress		3,26,02,073	32,16,97,516	46,81,164	14,14,55,799
<b>INVESTMENTS</b>	5	25,48,49,020		15,00,000	
<b>DEFERRED TAX (NET)</b>	6	—		7,64,58,871	
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	7	61,09,62,987		15,94,65,825	
Sundry Debtors		3,59,56,18,416		2,22,59,75,913	
Cash and Bank Balances		1,33,94,41,575		41,23,12,941	
Loans and Advances		94,71,37,356		37,67,13,443	
		6,49,31,60,334		3,17,44,68,122	
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	8	5,73,44,73,972		2,55,97,23,995	
Provisions		21,57,25,860		—	
		5,95,01,99,832		2,55,97,23,995	
<b>NET CURRENT ASSETS</b>		54,29,60,502		61,47,44,127	
<b>PROFIT AND LOSS ACCOUNT</b>		—		10,01,21,998	
Notes on Account	14				
<b>TOTAL</b>		1,11,95,07,038		93,42,80,795	

Note: The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **S.N. BANERJEA & CO.**

Chartered Accountants

**Amalendu Chatterjee**

Partner

Membership No. 1328

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary

# Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011

	Schedule No.	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>INCOME</b>			
Income from Operation	9	9,03,92,46,281	6,54,96,18,592
Other Income	10	2,64,42,872	1,62,29,115
		<b>9,06,56,89,153</b>	<b>6,56,58,47,707</b>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	11	8,33,60,33,172	6,11,42,68,846
Interest	12	8,31,68,917	7,63,53,900
Depreciation	13	1,50,79,119	1,00,84,517
		<b>8,43,42,81,208</b>	<b>6,20,07,07,263</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>			
		<b>63,14,07,944</b>	<b>36,51,40,444</b>
Deferred Tax Credit for Current Year		(3,24,92,962)	(12,23,38,991)
Provision for Tax		(17,72,44,972)	
<b>PROFIT/ (LOSS) AFTER CURRENT YEAR TAX</b>			
		<b>42,16,70,010</b>	<b>24,28,01,453</b>
Deferred Tax Credit for Earlier Years		(4,98,64,087)	-
Balance Brought Forward		(10,01,21,998)	(34,29,23,451)
Proposed Dividend		(3,30,00,000)	
Income Tax on Proposed Dividend		(54,80,888)	
<b>Balance Carried to Balance Sheet</b>		<b>23,32,03,038</b>	<b>(10,01,21,998)</b>
<b>Earnings per Share (Face value of ₹ 10 each)</b>			
- Basic		11.27	7.36
- Diluted		11.27	7.36
Notes on Account	14		

Note: The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **S.N. BANERJEA & CO.**

Chartered Accountants

**Amalendu Chatterjee**

Partner

Membership No. 1328

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**

Managing Director

**Ramesh Chandra Bardia**

Jt. Managing Director

**Chandra Sekhar Adhikary**

Company Secretary

# Schedules

forming part of the Financial Statements

	As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
7,50,00,000 Equity Shares of ₹ 10/- each	75,00,00,000	33,00,00,000
	75,00,00,000	33,00,00,000
<b>Issued, Subscribed and Paid-up</b>		
<b>Equity:</b>		
2,92,51,180 Shares of ₹ 10/- each issued as fully paid-up for Payment in Cash	29,25,11,800	29,25,11,800
48,000 Shares of ₹ 10/- each issued as fully paid-up pursuant to a contract without payment being received in cash	4,80,000	4,80,000
6,90,000 Shares of ₹ 10/- each issued as fully paid-up bonus shares by capitalisation of General Reserve	69,00,000	69,00,000
10,820 Shares of ₹ 10/- each issued as fully paid-up at par upon Cancellation and conversion of 1082 cumulative participating preference shares of ₹ 100/- each fully paid-up	1,08,200	1,08,200
30,00,000 Shares of ₹ 10/- each issued as fully paid-up at par upon Cancellation and conversion of 30,00,000 non cumulative redeemable Preference shares of ₹ 10/- each fully paid-up	3,00,00,000	3,00,00,000
	33,00,00,000	33,00,00,000
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Reserve	14,51,991	14,51,991
Revaluation Reserve	50,30,426	
Less - Transferred to Depreciation Account	2,13,071	48,17,355
Share Premium	27,00,00,000	27,00,00,000
Forfeiture Reserve Account	51,250	51,250
Profit and Loss Account	33,33,25,036	
Less - Debit balance brought forward from last year	10,01,21,998	23,32,03,038
	50,95,23,634	27,65,33,667
<b>SCHEDULE 3</b>		
<b>LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
Term Loan (IRD, Govt. of WB ) (Previous year includes loan from Bank & IRD) (Amount due within one year - ₹ 2,49,09,841)	10,03,94,202	27,82,43,030
Car Loan (Amount due within one year - ₹ 3,64,228/-)	11,50,489	—
	10,15,44,691	27,82,43,030
<b>UNSECURED LOANS</b>		
Government of West Bengal (Amount due within one year - ₹ 60,40,536)	60,40,536	1,95,04,098
Others	16,65,00,000	3,00,00,000
	17,25,40,536	4,95,04,098



# Schedules

forming part of the Financial Statements

## SCHEDULE 4 FIXED ASSETS

Amount in ₹

Particular of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Gross Block as on 31 <sup>st</sup> March, 2010	Addition during the year	Sale/ Adjustments during the year	Gross Block as on 31 <sup>st</sup> March, 2011	Accumulated Depreciation upto 31 <sup>st</sup> March, 2010	Depreciation during the year	Deduction / Adjustment during the year	Total upto 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
<b><u>Own Assets</u></b>										
Freehold Land and Building	34,50,280	—	—	34,50,280	—	—	—	—	34,50,280	34,50,280
Building and Structures	3,29,72,459	1,45,000	—	3,31,17,459	99,99,718	8,14,499	—	1,08,14,217	2,23,03,242	2,29,72,741
Plant and Machinery	266,509,092	16,08,41,413	—	42,73,50,505	17,22,14,861	1,22,18,243	—	18,44,33,104	24,29,17,401	9,42,94,231
Vehicles	80,54,805	16,58,429	—	97,13,234	72,67,829	1,05,624	—	73,73,453	23,39,781	7,86,976
Furniture, Fixture and Office Equipment	2,62,08,216	43,44,950	—	3,05,53,166	1,26,47,850	19,01,500	—	1,45,49,350	1,60,03,816	1,35,60,366
<b><u>Intangible Assets</u></b>										
Computer Software, Licences for Software	1,90,046	6,23,206	—	25,23,252	1,90,005	2,52,324	—	4,42,329	20,80,923	17,10,041
<b>Total</b>	33,90,94,898	16,76,12,998	—	50,67,07,896	20,23,20,263	1,52,92,190	—	21,76,12,453	28,90,95,443	13,67,74,635
Previous Year	310,285,838	2,91,87,560	3,78,500	33,90,94,898	19,21,91,131	1,02,90,475	1,61,343	20,23,20,263	13,67,74,635	

# Schedules

forming part of the Financial Statements

			As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 5</b>				
<b>INVESTMENTS</b>				
<b>Unquoted at Cost</b>				
25,000	Shares of ₹ 100/- each fully paid-up in EMC Hardware Ltd. at cost (100% Subsidiary Company)	15,00,000		15,00,000
50,000	Shares of ₹ 10/- each fully paid-up in EMC Infrastructure Ltd. at cost (100% Subsidiary Company)	5,00,000		—
50,000	Shares of ₹ 10/- each fully paid-up in EMC Logistics Ltd. at cost (100% Subsidiary Company)	5,00,000		—
50,000	Shares of ₹ 10/- each fully paid-up in EMC Energy Ltd. at cost (100% Subsidiary Company)	5,00,000		—
50,000	Shares of ₹ 10/- each fully paid-up in EMC Power Ltd. at cost (100% Subsidiary Company)	5,00,000		—
50,000	Shares of ₹ 10/- each fully paid-up in EMC Solar Ltd. at cost (100% Subsidiary Company)	5,00,000		—
50,000	Shares of ₹ 10/- each fully paid-up in EMC Academy Ltd. at cost (100% Subsidiary Company)	5,00,000	45,00,000	—
<b>Quoted at Cost</b>				
3,878	Shares of ₹ 90/- each fully paid - up in Powergrid Corporation of India Ltd. (Market Value - ₹ 3,94,780)	3,49,020		—
19607074.232	Units of SBI - SHF - Ultra Short term fund (Market Value - ₹ 25,10,01,921)	25,00,00,000	25,03,49,020	—
			<b>25,48,49,020</b>	<b>15,00,000</b>
<b>SCHEDULE 6</b>				
<b>DEFERRED TAX (NET)</b>				
Deferred Tax Liabilities for current year			58,98,178	—
Deferred Tax Asset			7,64,58,871	
Less: Deferred Tax Credit for the year			2,65,94,784	
Less: Deferred Tax Credit for the earlier year			4,98,64,087	
			—	7,64,58,871
			<b>58,98,178</b>	<b>7,64,58,871</b>
<b>SCHEDULE 7</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
<b>Inventories</b>				
	Raw Materials		2,29,90,140	1,96,95,261
	Stores, Loose Tools and Spares		3,03,61,000	1,59,96,678
	Semi Finished Goods and Work-in-Progress		6,20,38,998	1,08,02,887
	Finished Goods		4,48,24,604	2,31,23,289
	Erection Materials at Site		26,32,61,313	8,92,97,851
	Construction Work-in-Progress		18,67,83,863	—
	Stock-in-Trade (Land)		—	31,780
	Scrap		7,03,069	5,18,079
			<b>61,09,62,987</b>	<b>15,94,65,825</b>

# Schedules

forming part of the Financial Statements

	As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 7 (Contd.)</b>		
<b>Sundry Debtors</b>		
Debts Outstanding For More Than Six Months:	81,37,97,539	42,43,12,900
Less: Provision for Doubtful Debts	—	—
Unsecured Considered Good	81,37,97,539	42,43,12,900
Other Debts:		
Considered Good	2,78,18,20,877	1,80,16,63,013
	3,59,56,18,416	2,22,59,75,913
<b>Cash and Bank Balances</b>		
Cash Balance in Hand	1,21,86,303	35,64,330
Bank Balances With Scheduled Banks:		
In Current Accounts	76,66,34,652	22,11,70,231
In Fixed Deposit And Margin Accounts	44,70,34,728	17,68,07,691
In Cash credit	11,35,85,891	1,07,70,689
	1,33,94,41,575	41,23,12,941
<b>LOANS AND ADVANCES - Unsecured</b>		
Advance Recoverable in Cash or Kind or for Value to be received - considered good	86,55,89,243	36,54,15,330
Other Advances and Deposits:		
Considered Good:		
Advance Income Tax	8,15,48,113	1,12,98,113
	94,71,37,356	37,67,13,443
Notes:		
a) Loans and Advances	<b>Balance as on</b>	<b>Maximum</b>
Debts due by Directors or other officers of the Company or from a Private Company in which Director of the Company is a Director/ Member:	<b>31<sup>st</sup> March, 2011</b>	<b>Balance</b>
	₹	₹
i) Private Companies		
ii) Subsidiary Company	12,26,311	12,26,311
	(1,73,497)	(1,73,497)
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors for goods and expenses	3,61,50,08,791	1,99,99,74,209
Advance from Customers (Amount to be adjusted within one year ₹ 113.13 crores)	2,07,88,17,451	53,26,84,569
Other Liabilities	4,04,37,730	2,70,65,217
Interest Accrued but not due	2,10,000	—
	5,73,44,73,972	2,55,97,23,995
<b>Provisions</b>		
Income Tax	17,72,44,972	—
Proposed Dividend	3,30,00,000	—
Income Tax on Proposed Dividend	54,80,888	—
	21,57,25,860	—

# Schedules

forming part of the Financial Statements

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 9</b>		
<b>INCOME FROM OPERATIONS</b>		
Sales and Services	9,03,23,18,704	6,53,65,32,827
Scrap Materials	69,27,577	1,30,85,765
	<b>9,03,92,46,281</b>	<b>6,54,96,18,592</b>
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Miscellaneous Income	13,42,630	1,64,779
Profit on Sale of Assets (Net)	—	3,002
Insurance claim received	62,28,222	64,50,050
Interest	1,88,72,019	95,53,213
Exchange Gain	—	58,071
	<b>2,64,42,871</b>	<b>1,62,29,115</b>
<b>SCHEDULE 11</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
1. Materials	7,25,29,60,777	5,34,77,66,333
2. Personnel Expenses	21,43,15,214	12,97,95,885
3. Operating and Other Expenses	94,18,79,598	51,67,35,940
4. Increase(-)/ Decrease in Stock (+)	(7,31,22,417)	11,99,70,688
	<b>8,33,60,33,172</b>	<b>6,11,42,68,846</b>
<b>11.1 MATERIAL</b>		
<b>a) Raw Materials and Components Consumed:</b>		
Steel	14,83,15,384	6,67,21,721
Zinc	2,38,81,327	64,77,400
Aluminium	3,77,03,471	4,14,54,061
Other Materials	42,10,030	16,59,435
Project Purchases	6,71,89,00,105	4,74,40,78,583
Land (Used for development)	31,780	84,748
Erection Material and Concreting Material	27,95,71,343	43,36,41,261
	<b>7,21,26,13,440</b>	<b>5,29,41,17,209</b>
<b>b) Stores, Loose Tools and Spares Consumed</b>		
	<b>4,03,47,337</b>	<b>5,36,49,124</b>
	<b>7,25,29,60,777</b>	<b>53,4,77,66,333</b>
<b>11.2 PERSONNEL EXPENSES</b>		
Salaries, Wages and Bonus	16,05,29,243	10,37,48,263
Contribution to Provident and Other Funds	3,14,32,517	59,13,184
Workmen and Staff Welfare Expenses	46,84,037	38,28,697
Directors' Remuneration	1,66,46,426	1,14,00,016
Gratuity to Staff	10,22,991	49,05,725
	<b>21,43,15,214</b>	<b>12,97,95,885</b>

# Schedules

forming part of the Financial Statements

		Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 11 (Contd.)</b>			
<b>11.3 OPERATING AND OTHER EXPENSES</b>			
Processing/ Job Charges		39,82,26,457	15,63,44,790
Freight, Carriage and Transport		10,27,45,916	10,49,68,581
Packing Materials		1,24,879	9,89,830
Power and Fuel		1,25,70,656	97,39,916
Rent		1,61,23,405	1,28,07,279
Insurance		64,95,826	27,59,470
Repairs and Renewals:			
Plant and Machinery	12,06,868		
Building	5,69,743		
Others	29,85,108	47,61,718	35,92,378
Hire Charges		1,43,29,136	69,99,483
Travelling and Conveyance		1,15,16,261	1,04,81,447
Payment to Auditors			
Audit Fees	1,50,000		
Other Capacity	22,000		
Expenses	15,000	1,87,000	1,24,000
Internal Audit Fees		67,500	1,22,500
Tax Audit		31,000	5,000
Rates and Taxes		9,46,14,492	5,41,46,810
Excise Duty		2,30,08,083	1,72,95,287
Margin on Turnover		6,00,000	6,00,000
Communication Expenses		82,81,152	55,53,933
Bank Commission and Charges		16,83,61,439	9,50,60,781
Miscellaneous Expenses		7,92,44,359	3,51,33,378
Loss on Contract Performance:		5,90,320	11,077
		94,18,79,598	51,67,35,940
<b>11.3.1 MISCELLANEOUS EXPENSES</b>			
Legal Charges, Listing and Filing fees		32,59,207	11,51,883
Sales Promotion and Advertisement Expenses		24,44,438	36,44,904
Testing Charges		76,92,576	34,20,274
Computer/ R & D Expenses		8,42,231	9,08,819
Entertainment Expenses		6,32,337	3,16,805
General Charges		39,39,073	17,97,433
Office Up-keep		16,98,700	24,98,589
Printing and Stationery		23,47,851	21,31,809
Subscription and Donation		24,07,373	36,808
Professional Fees and Services Charges		4,95,89,408	1,23,07,137
Motor Car Expenses		3,41,281	4,32,535
Mobilisation Expenses		26,15,201	55,08,326
Tender fees		8,52,377	7,28,941
Others		3,86,935	2,28,778
Recruitment Expenses		1,95,370	20,337
		7,92,44,359	3,51,33,378

# Schedules

forming part of the Financial Statements

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 11 (Contd.)</b>		
<b>11.4 INCREASE/ DECREASE IN STOCK</b>		
<b>OPENING STOCK:</b>		
Finished Goods	2,31,23,288	13,74,98,301
Semi Finished Goods and Work-in-Progress	1,08,02,887	1,63,57,431
Scrap Materials	5,18,079	5,59,210
	<b>3,44,44,254</b>	<b>15,44,14,942</b>
<b>CLOSING STOCK:</b>		
Finished Goods	4,48,24,604	2,31,23,288
Semi Finished Goods and Work-in-Progress	6,20,38,998	1,08,02,887
Scrap Materials	7,03,069	5,18,079
	<b>10,75,66,671</b>	<b>3,44,44,254</b>
<b>INCREASE(-)/ DECREASE (+)</b>	<b>(7,31,22,417)</b>	<b>11,99,70,688</b>
<b>SCHEDULE 12</b>		
<b>INTEREST</b>		
On Term Loan	3,36,32,132	2,10,21,021
On Others	4,95,36,785	5,53,32,879
	<b>8,31,68,917</b>	<b>7,63,53,900</b>
<b>SCHEDULE 13</b>		
<b>DEPRECIATION</b>		
Depreciation for the Year	1,52,92,190	1,02,90,475
Less: Transfer to Revaluation Reserve	2,13,071	2,05,958
<b>DEPRECIATION CHARGED TO PROFIT AND LOSS ACCOUNT</b>	<b>1,50,79,119</b>	<b>1,00,84,517</b>

# Notes on Accounts

## SCHEDULE 14

### NOTES ON ACCOUNTS

#### 1. ACCOUNTING POLICIES

Fundamental Accounting Policy is on Historical and Accrual basis except otherwise stated as below:

- i) Leave encashment for employee is accounted for on cash basis. The accrued liability on this account as on 31<sup>st</sup> March, 2011 has been estimated at ₹ 92.82 lakhs (Previous period ₹ 65.37 lakhs) for which no provision has been made in the accounts.
- ii) Resulting from the nature of the business of the Company, bills relating to price variation, excess supplies and extra works etc. are raised by the Company on the basis of the terms of the contracts. Such bills are settled by the customers during the course or at the end of the contracts. As such only those bills which are acceptable by the customers are accounted for in the books.
- iii) Excise Duty payable on production is accounted for at the time of removal of goods from the factory premises.
- iv) Investments are valued at lower of cost or market value.
- v) Inventories are valued as follows
  - Raw materials at lower of cost or market value.
  - Stores, Spares Parts and Loose Tools lower of cost or market value.
  - Semi-finished Goods and Work in Progress at estimated cost.
  - Finished Goods at lower of cost or market value.
  - Erection Materials at site at lower of cost or market value.
  - Scrap at net realizable value.
- vi) Fixed Assets
  - i) Fixed Assets are stated at their cost of acquisition (including other expenses related to installation) adjusted by revaluation as and when carried out.
  - ii) Depreciation charged to accounts on Fixed Assets with reference to historical cost or revalued cost as the case may be. Depreciation has been provided on Straight Line Method as per rates given in the Schedule XIV of the Companies Act, 1956.
  - iii) Revenue expenditure on Research & Development is charged against profit for the period, in which it is incurred.
  - iv) In Intangible assets, software and licenses is amortized over a period of 10 years.
- vii) In current year the Company has account for gratuity on accrual basis instead of cash basis upto last year. Actuarially valued Gratuity liability is ₹ 242.69 lakhs and the same has been debited to Profit and Loss Account As a result of such change in basis of accounting, the Company's profit is reduced by the same.
- viii) Other Debts includes amount of ₹ 84.51 crores not due within the year though the same exceeds the period of six months.

# Notes on Accounts

## SCHEDULE 14 (Contd.)

### 2. CONTINGENT LIABILITIES

	31 <sup>st</sup> March, 2011 ₹ in Lakhs	31 <sup>st</sup> March, 2010 ₹ in Lakhs
i) Guarantees given by Company's Bankers on behalf of the Company	68,491.28	26,087.94
ii) Claims against the Company not acknowledged as debts:		
a) Sales tax	836.04	170.32
b) Others	36.80	66.77

Apart from the above there are other unquantified claims on the Company. On the basis of legal advice that there is no material substance in these claims, the Company has not admitted them and has preferred appeals or filed suits contesting such claims and demands and accordingly the same has not been considered as Contingent Liabilities. The Company has also claims on various parties including counter claims on some of these parties which have not been taken into account in these accounts.

### 3. Borrowing facilities from Allahabad Bank, Punjab National Bank, UCO Bank, Corporation Bank and State Bank of India are secured against:

- joint hypothecation charge over entire stocks, book debts and other current assets of the Company both present and future, ranking *pari passu* basis;
- by creation of charge on Fixed assets and by creation or agreement to create an equitable mortgage in respect of Company's landed properties both present and future, ranking *pari passu*.

### 4. Physical verification of all stocks has been taken and certified by the management.

### 5. Defined Benefit Plan

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method

1. Change in Defined Benefit Obligation	2010-11
Defined Benefit obligation at the beginning of year	Nil
Interest Cost	Nil
Current Service Cost	Nil
Benefits paid	Nil
Actuarial (gain)/ loss on obligation	₹ 2,42,68,975/-
Present value of obligation as at end of year	₹ 2,42,68,975/-
2. Change in Fair value of Assets	
Fair value of plan assets at beginning of year	Nil
Expected return on plan assets	Nil
Contributions	₹ 2,58,20,367/-
Benefits paid	Nil
Actuarial gain/ (loss) on plan assets	Nil
Fair Value of Plan assets at the end of year	₹ 2,58,20,367/-



# Notes on Accounts

## SCHEDULE 14 (Contd.)

3.	Net Asset/ (Liability) recognized in Balance Sheet		
	Fair Value of Plan Assets		₹ 2,58,20,367/-
	Present value of obligation as at end of the year		₹ 2,42,68,975/-
	Amount recognized in Balance Sheet		₹ 15,51,392/-
4.	Expenses recognized during the year (under the head contribution to Provident Fund and other funds)		
	Current Service Cost		Nil
	Interest Cost		Nil
	Expected return on plan assets		Nil
	Net actuarial (gain)/ loss recognized in the year		₹ 2,42,68,975/-
	Expenses recognized in statement of profit and loss		₹ 2,42,68,975/-
6.	<b>Computation of Director's remuneration:</b>		Year ended 31 <sup>st</sup> March, 2011 ₹
	Profit as per Profit and Loss Account		63,14,07,944
	Add: Depreciation	1,50,79,119	
	Directors' remuneration (including perquisites)	1,66,06,426	
	Directors' Sitting Fees	40,000	3,17,25,545
			66,31,33,489
	Less: Depreciation u/s 350 of the Companies Act, 1956		1,50,79,119
	Profit for the purpose of calculation of Director's remuneration		64,80,54,370
	Director's remuneration @ 10% of above		6,48,05,437
	Director's remuneration paid during the period		1,66,06,426
			Year ended 31 <sup>st</sup> March, 2011 ₹
7.	a) Payment made to Managing Director		57,37,807
	b) Payment made to Whole-time Directors		1,08,68,619
	Remuneration paid to Director is paid according to Schedule XIII of the Companies Act and subject to approval of the members in the ensuing Annual General Meeting.		
8.	<b>Deferred Tax:</b>		Amount (₹ in lakhs)
	Deferred Tax Asset Debit		764.59
	Less: Deferred Tax Credits for the year		265.95
	Less: Deferred Tax Credits for earlier year		498.64
	Deferred Tax liability for current year for timing difference		58.98
	Net Deferred Tax liability carried over to Balance Sheet		58.98

# Notes on Accounts

## SCHEDULE 14 (Contd.)

### 9. Value of imported and indigenous Raw Materials, Spare Parts etc consumed

	Raw Materials		Stores, Spare Parts and Components	
	₹	%		%
a) Imported	—	—	—	—
b) Indigenous	7,21,26,13,440	100	4,03,47,337	100
	7,21,26,13,440	100	4,03,47,337	100
	(5,29,41,17,210)	100	(5,36,49,124)	100

### 10. Installed capacities (per annum)\*

ACSR, AAC & AAAC (M/T)	Aluminium Components (M/T)	Transmission Towers & Heavy Structure (in M/T)
12384	8380	30,000

\*It has been determined by the Company's Technical Officers.

### 11. Sales by class of goods, opening and closing stocks of goods produced for sale and actual production during the period:

	Sales		Opening Stock		Production	Closing Stock	
	M/T	₹/'000	M/T	₹/'000	M/T	M/T	₹/'000
Conductors and Aluminium Components	256.59	68,350	66.49	9,588	200.73	10.63	1,570
	(343.08)	(70,145)	(18.47)	(2,114)	(391.10)	(66.49)	(9,588)
Tower	2,213.33	1,46,147	322.28	13,536	2,813.24	922.19	43,254
	(3,405.46)	(2,23,740)	(2,594.09)	(1,35,384)	(1,133.65)	(322.28)	(13,536)
<b>Total</b>		<b>2,14,497</b>		<b>23,124</b>			<b>44,824</b>
		<b>(2,93,885)</b>		<b>(1,37,498)</b>			<b>(23,124)</b>

# Notes on Accounts

## SCHEDULE 14 (Contd.)

### 12. Segment Reporting as per Accounting Standard 17:

#### Segment Revenue

	Amount (₹ in lakhs)	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Project Construction Division	88,129.33	62,450.86
Tower Manufacturing Division	1,566.52	2,391.84
Aluminium Extrusion, Forging and Conductor Division	696.61	717.99
<b>Segment Total</b>	<b>90,392.46</b>	<b>65,560.69</b>
<b>Segment Results</b>		
Project Construction Division	7,834.22	4,665.33
Tower Manufacturing Division	186.96	252.38
Aluminium Extrusion, Forging and Conductor Division	140.56	71.28
<b>Segment Total</b>	<b>8,161.74</b>	<b>4,988.99</b>
Unallocated Income over expenses	(1,015.97)	(574.05)
Profit before Interest and Tax	7,145.77	4,414.94
Interest	831.69	763.54
Provision for Current Year Tax	2,097.38	1,223.39
Profit after Current Year Tax	4,216.70	2,428.01
Provision for Deferred tax for earlier years	498.64	Nil
<b>Profit after Tax</b>	<b>3,718.06</b>	<b>2,428.01</b>

	Amount (₹ in lakhs)			
	Assets		Liabilities	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Project Construction Division	47,491.17	26,612.64	55,643.30	24,945.19
Tower Manufacturing Division	4,139.95	3,330.27	1,460.06	298.63
Aluminium Extrusion, Forging and Conductor Division	618.76	660.94	24.30	26.06
Unallocated assets and Liabilities	18,447.18	2,570.39	2,374.34	327.36
<b>Total</b>	<b>70,697.07</b>	<b>33,174.24</b>	<b>59,502.00</b>	<b>25,597.24</b>

### 13. Details of Foreign Exchange Transactions:

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
a) Value of Import on CIF basis		
Components and Spares parts	—	2,41,483
Capital Goods	11,63,31,322	—
b) Foreign Exchange Earnings:		
i) Export of goods on FOB basis	—	1,58,06,786
c) Expenditure in Foreign Currency: (excluding costs on Overseas Construction Projects and including Technical and Other Services)		
- Tour Expenses	—	1,71,103
- Others	63,794	32,002

# Notes on Accounts

## SCHEDULE 14 (Contd.)

### 14. Related Parties Disclosure as required by Accounting Standard-18:

Amount (₹ in lakhs)

Name	Relation	Particulars	Transaction during the year	Balance As on 31 <sup>st</sup> March, 2011
EMC Hardware Ltd.	100% Subsidiary	Advance	0.12	1.85
EMC Solar Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.74	1.74
EMC Logistic Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.74	1.74
EMC Power Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.74	1.74
EMC Infrastructure Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.74	1.74
EMC Academy Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.71	1.71
EMC Energy Ltd.	100% Subsidiary	Investment	5.00	5.00
		Advance	1.74	1.74
Mr. Manoj Toshniwal	Director	Salary	57.38	Nil
Mr. Ramesh Chandra Bardia	Director	Salary	54.56	Nil

15. Figures for the previous year have been re-arranged and re-grouped wherever necessary. Figures in brackets indicate previous year's figure.

Signature to Schedules 1 to 13  
For **S.N. BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Chandra Sekhar Adhikary**  
Company Secretary

# Cash Flow Statement for the year ended 31<sup>st</sup> March, 2011

	Year ended 31 <sup>st</sup> March, 2011		Year ended 31 <sup>st</sup> March, 2010	
	₹		₹	
<b>(A) Cash Flow from Operating Activities</b>				
Net Profit/ (Loss) before Tax and extra ordinary activities		63,14,07,944		36,51,40,444
Add:				
Depreciation		1,50,79,119		1,00,84,517
Interest		8,31,68,917		7,63,53,900
Less:				
Profit on sale of Fixed Assets	—	9,82,48,036	3,002	8,64,35,415
		72,96,55,980		45,15,75,859
Adjustment for:				
(Increase)/ Decrease in Inventories		(45,14,97,162)		18,31,30,191
(Increase)/ Decrease in Sundry debtors		(1,36,96,42,503)		(1,36,94,23,539)
(Increase)/ Decrease in Loans and Advances		(57,04,23,913)		(12,21,87,717)
Increase/ (Decrease ) in Current Liabilities		3,17,47,49,976	78,31,86,398	1,04,32,82,790
Cash generated from operation		1,51,28,42,378		18,63,77,584
Less: Finance charges		8,31,68,917		7,63,53,900
Less: Prior period adjustment		(8,31,68,917)		(7,63,53,900)
(A)		1,42,96,73,461		11,00,23,684
<b>(B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		19,55,33,907		3,38,68,724
Less: Sale of Fixed Assets		—		2,15,480
Investment in Subsidiary		30,00,000		
Purchase of Current Investment		25,03,49,020		
(B)		(44,88,82,927)		(3,36,53,244)
<b>(C) Cash Flow from Financing Activities</b>				
Proceeds from Short Term Borrowings		13,65,00,000		(1,85,75,956)
Proceeds from Share Capital and Reserve		—		30,00,00,000
Proceeds from Long Term Borrowing		(19,01,61,900)	(5,36,61,900)	(21,30,62,392)
(C)		(5,36,61,900)		6,83,61,652
<b>Total (A+B+C)</b>		92,71,28,634		14,47,32,092
Cash and Cash equivalent opening balance		41,23,12,941		26,75,80,849
Cash and Cash equivalent Closing balance		1,33,94,41,575		41,23,12,941
Increase/ (Decrease)		92,71,28,634		14,47,32,092

Note: The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached  
For **S.N. BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328

Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary

## Balance Sheet Abstract and Company's General Business Profile in Part IV of Schedule-VI of the Companies Act, 1956

### I. Registration details

Registration No.

State Code  
(Refer Code List)

Balance Sheet Date

### II. Capital raised during the year (Amount in ₹ thousand)

Public Issue

Rights Issue

Bonus Issue

Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand)

Total Assets

Total Liabilities

Sources of Funds

Paid-up Capital

Reserve and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Fund

Net Fixed Assets

Investment

Net Current Assets

Deferred Tax Asset

### IV. Performance of Company (Amount in ₹ thousand)

Turnover

Total Expenditure

+ - Profit/ Loss before tax

+ - Profit/ Loss after tax

(Please tick appropriate box + for Profit, - for Loss)

Earning per Share in ₹

=

Dividend rate %

### V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

# Auditors' Report

To the Members of  
Electrical Manufacturing Co. Ltd.,

1. We have audited the attached Consolidated Balance Sheet of Electrical Manufacturing Company Limited as at 31<sup>st</sup> March, 2011 and the attached Consolidated Profit and Loss Account and Consolidated Cash Flow statement for the year ended on that date and annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of six subsidiaries whose financial statements reflect the Group's share of total assets of ₹ 41.98 lakhs (including Miscellaneous Expenditure of ₹ 11.98 lakhs) as at 31<sup>st</sup> March, 2011 as considered in the Consolidated Financial Statements, these companies did not prepare profit and loss account for the period as these companies are yet to commence their operations. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by management in accordance with the requirements of accounting Standard 21.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2011;
  - b) In case of the Consolidated Profit and loss account, of the Profit for the year ended on that date; and
  - c) In case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Place : Kolkata  
Dated : 21<sup>st</sup> July, 2011

For **S.N. BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2011

	Schedule No.	As at 31 <sup>st</sup> March, 2011 ₹		As at 31 <sup>st</sup> March, 2010 ₹	
<b>SOURCE OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Capital	1	33,00,00,000		33,00,00,000	
Reserves and Surplus	2	50,94,30,153	83,94,30,153	27,75,33,667	60,75,33,667
<b>LOAN FUNDS</b>					
Secured Loans	3	10,15,44,691		27,82,43,030	
Unsecured Loans		17,25,40,536	27,40,85,227	4,95,04,098	32,77,47,128
<b>DEFERRED TAX (NET)</b>	6	58,98,178		—	
<b>TOTAL</b>		1,11,94,13,558		93,52,80,795	
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	4	50,68,42,536		33,92,29,538	
Less: Depreciation		21,77,43,295		20,24,50,491	
Net Block		28,90,99,241		13,67,79,047	
Add: Capital Work-in-Progress		3,40,18,914	32,31,18,155	60,98,005	14,28,77,052
<b>INVESTMENTS</b>	5	25,03,49,020		—	
<b>DEFERRED TAX (NET)</b>	6	—		7,64,58,871	
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	7	61,09,62,987		15,94,65,825	
Sundry Debtors		3,59,56,18,416		2,22,59,75,913	
Cash and Bank Balances		1,34,26,41,775		41,25,02,297	
Loans and Advances		94,59,70,753		37,65,98,200	
		6,49,51,93,931		3,17,45,42,235	
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	8	5,73,46,65,563		2,55,97,58,650	
Provisions		21,57,80,214		54,354	
		5,95,04,45,777		2,55,98,13,004	
<b>NET CURRENT ASSETS</b>		54,47,48,154		61,47,29,231	
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off)	9	11,98,229		—	
<b>PROFIT AND LOSS ACCOUNT</b>		—		10,12,15,641	
Notes on Account	15	—		—	
<b>TOTAL</b>		1,11,94,13,558		93,52,80,795	

Note: The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **S.N.BANERJEA & CO.**

Chartered Accountants

**Amalendu Chatterjee**

Partner

Membership No. 1328

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary



# Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011

	Schedule No.	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>INCOME</b>			
Income from Operation	10	9,03,92,46,281	6,54,96,18,592
Other Income	11	2,64,55,317	1,62,44,397
		<b>9,06,57,01,598</b>	<b>6,56,58,62,989</b>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	12	8,33,60,44,841	6,11,43,12,587
Interest	13	8,31,68,917	7,63,53,900
Depreciation	14	1,50,79,733	1,00,85,229
		<b>8,43,42,93,491</b>	<b>6,20,07,51,716</b>
		<b>63,14,08,107</b>	<b>36,51,11,273</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>			
Deferred Tax Credit for Current Year		(3,24,92,962)	(12,23,38,991)
Provision for Tax		(17,72,44,972)	—
		<b>42,16,70,173</b>	<b>24,27,72,282</b>
<b>PROFIT/ (LOSS) AFTER CURRENT YEAR TAX</b>			
Deferred Tax Credit For Earlier Years		(4,98,64,087)	—
Balance Brought Forward		(10,12,15,641)	(34,39,87,923)
Proposed Dividend		(3,30,00,000)	—
Income tax on Proposed Dividend		(54,80,888)	—
<b>Balance Carried to Balance Sheet</b>		<b>23,21,09,558</b>	<b>(10,12,15,641)</b>
<b>Earnings per share (Face value of ₹ 10 each)</b>			
- Basic		<b>11.27</b>	7.36
- Diluted		<b>11.27</b>	7.36
<b>Notes on Account</b>	15		

Note: The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **S.N.BANERJEA & CO.**

Chartered Accountants

**Amalendu Chatterjee**

Partner

Membership No. 1328

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**

Managing Director

**Ramesh Chandra Bardia**

Jt. Managing Director

**Chandra Sekhar Adhikary**

Company Secretary

# Schedules

forming part of the Consolidated Financial Statements

		As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
7,50,00,000	Equity Shares of ₹ 10/- each	75,00,00,000	33,00,00,000
		75,00,00,000	33,00,00,000
<b>Issued, Subscribed and Paid-up</b>			
<b>Equity:</b>			
2,92,51,180	Shares of ₹ 10/- each issued as fully paid-up for Payment in Cash	29,25,11,800	29,25,11,800
48,000	Shares of ₹ 10/- each issued as fully paid-up pursuant to a contract without payment being received in cash	4,80,000	4,80,000
6,90,000	Shares of ₹ 10/- each issued as fully paid-up bonus shares by capitalisation of General Reserve	69,00,000	69,00,000
10,820	Shares of ₹ 10/- each issued as fully paid-up at par upon Cancellation and conversion of 1082 cumulative participating preference shares of ₹ 100/- each fully paid-up	1,08,200	1,08,200
30,00,000	Shares of ₹ 10/- each issued as fully paid-up at par upon Cancellation and conversion of 30,00,000 non-cumulative redeemable Preference shares of ₹ 10/- each fully paid-up	3,00,00,000	3,00,00,000
		33,00,00,000	33,00,00,000
<b>SCHEDULE 2</b>			
<b>RESERVES AND SURPLUS</b>			
	Capital Reserve	24,51,991	24,51,991
	Revaluation Reserve	50,30,426	
	Less - Transferred to Depreciation account	2,13,071	50,30,426
	Share Premium	27,00,00,000	27,00,00,000
	Forfeiture Reserve Account	51,250	51,250
	Profit and Loss Account	33,33,25,198	
	Less - Debit balance brought forward from last year	10,12,15,641	—
		50,94,30,153	27,75,33,667
<b>SCHEDULE 3</b>			
<b>LOAN FUNDS</b>			
<b>SECURED LOANS</b>			
	Term Loan (IRD, Govt. of WB ) (Previous year includes loan from Bank & IRD) (Amount due within one year - ₹ 2,49,09,841)	10,03,94,202	27,82,43,030
	Car Loan (Amount due within one year - ₹ 3,64,228/-)	11,50,489	—
		10,15,44,691	27,82,43,030
<b>UNSECURED LOANS</b>			
	Government of West Bengal (Amount due within one year - ₹ 60,40,536)	60,40,536	1,95,04,098
	Others	16,65,00,000	3,00,00,000
		17,25,40,536	4,95,04,098

# Schedules

forming part of the Consolidated Financial Statements

## SCHEDULE 4 FIXED ASSETS

Amount in ₹

Particular of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Gross Block as on 31 <sup>st</sup> March, 2010	Addition during the year	Sale/ Adjustments during the year	Gross Block as on 31 <sup>st</sup> March, 2011	Accumulated Depreciation upto 31 <sup>st</sup> March, 2010	Depreciation during the year	Deduction / Adjustment during the year	Total upto 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
<b><u>Own Assets</u></b>										
Freehold Land and Building	34,50,280	—	—	34,50,280	—	—	—	—	34,50,280	34,50,280
Building and Structures	3,29,72,459	1,45,000	—	3,31,17,459	99,99,718	8,14,499	—	1,08,14,217	2,23,03,242	2,29,72,741
Plant and Machinery	26,66,43,732	16,08,41,413	—	42,74,85,145	17,23,45,089	1,22,18,857	—	18,45,63,946	24,29,21,199	9,42,98,643
Vehicles	80,54,805	16,58,429	—	97,13,234	72,67,829	1,05,624	—	73,73,453	23,39,781	7,86,976
Furniture, Fixture and Office Equipment	2,62,08,216	43,44,950	—	3,05,53,166	1,26,47,850	19,01,500	—	1,45,49,350	1,60,03,816	1,35,60,366
<b><u>Intangible Assets</u></b>										
Computer Software, Licences for Software	19,00,046	6,23,206	—	25,23,252	1,90,005	2,52,324	—	4,42,329	20,80,923	17,10,041
<b>Total</b>	33,92,29,538	16,76,12,998	—	50,68,42,536	20,24,50,491	1,52,92,804	—	21,77,43,295	28,90,99,241	13,67,79,047
Previous Year	31,04,20,478	2,91,87,560	3,78,500	33,92,29,538	19,23,20,647	1,02,91,187	1,61,343	20,24,50,491	13,67,79,047	

# Schedules

forming part of the Consolidated Financial Statements

		As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 5</b>			
<b>INVESTMENTS</b>			
<b>Quoted at Cost</b>			
3878	Shares of ₹ 90/- each fully paid-up in Powergrid Corporation of India Ltd. (Market Value - ₹ 3,94,780)	3,49,020	—
19607074.232	Units of SBI - SHF - Ultra Short term fund (Market Value - ₹ 25,10,01,921)	25,00,00,000	—
		<b>25,03,49,020</b>	<b>—</b>
		<b>25,03,49,020</b>	<b>—</b>
<b>SCHEDULE 6</b>			
<b>DEFERRED TAX (NET)</b>			
Deferred Tax Liabilities for current year		58,98,178	—
Deferred Tax Asset		7,64,58,871	
Less: Deferred Tax Credit for the year		2,65,94,988	
Less: Deferred Tax Credit for the earlier year		4,98,64,087	
		—	7,64,58,871
		<b>58,98,178</b>	<b>7,64,58,871</b>
<b>SCHEDULE 7</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
	Raw Materials	2,29,90,140	1,96,95,261
	Stores, Loose Tools and Spares	3,03,61,000	1,59,96,678
	Semi Finished Goods and Work-in-Progress	6,20,38,998	1,08,02,887
	Finished Goods	4,48,24,604	2,31,23,289
	Erection Materials at Site	26,32,61,313	8,92,97,851
	Construction Work-in-Progress	18,67,83,863	—
	Stock-in-Trade (Land)	—	31,780
	Scrap	7,03,069	5,18,079
		<b>61,09,62,987</b>	<b>15,94,65,825</b>
<b>Sundry Debtors</b>			
Debts Outstanding For More Than Six Months:		81,37,97,539	42,43,12,900
Less: Provision for Doubtful Debts		—	—
Unsecured Considered Good		81,37,97,539	42,43,12,900
<b>Other Debts:</b>			
Considered Good		2,78,18,20,877	1,80,16,63,013
		<b>3,59,56,18,416</b>	<b>2,22,59,75,913</b>
<b>Cash and Bank Balances</b>			
Cash Balance in Hand		1,21,90,025	35,68,052
<b>Bank Balances with Scheduled Banks:</b>			
In Current Accounts		76,96,46,023	22,11,81,751
In Fixed Deposit and Margin Accounts		44,72,19,835	17,69,81,805
In Cash credit		11,35,85,891	1,07,70,689
		<b>1,34,26,41,775</b>	<b>41,25,02,297</b>

# Schedules

forming part of the Consolidated Financial Statements

	As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 7 (Contd.)</b>		
<b>LOANS AND ADVANCES - Unsecured</b>		
Advance Recoverable in Cash or Kind or for Value to be received -considered good	86,43,63,433	36,52,42,333
Other Advances and Deposits:		
Considered Good:		
Advance Income Tax	8,16,07,320	1,13,55,867
	<b>94,59,70,753</b>	<b>37,65,98,200</b>
Notes:		
a) Loans and Advances	<b>Balance as on 31<sup>st</sup> March, 2011 ₹</b>	<b>Maximum Balance ₹</b>
Debts due by Directors or other officers of the Company or from a Private Company in which Director of the Company is a Director/ Member:		
i) Private Companies	—	—
ii) Subsidiary Company	—	—
	—	—
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors for goods and expenses	3,61,50,33,792	1,99,99,84,209
Advance from Customers (Amount to be adjusted within one year ₹ 113.13 crores)	2,07,88,17,451	53,26,84,569
Other Liabilities	4,06,04,320	2,70,89,872
Interest Accrued but not due	2,10,000	—
	<b>5,73,46,65,563</b>	<b>2,55,97,58,650</b>
<b>Provisions</b>		
Income Tax	17,72,99,326	54,354
Proposed Dividend	3,30,00,000	—
Income Tax on Proposed Dividend	54,80,888	—
	<b>21,57,80,214</b>	<b>54,354</b>
<b>SCHEDULE 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
<b>Preliminary Expenses</b>		
Incurred during the period	10,41,294	—
<b>Pre-operative Expenses</b>		
Audit Fees	15,000	—
Salary	1,41,935	—
	<b>11,98,229</b>	<b>—</b>

# Schedules

forming part of the Consolidated Financial Statements

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 10</b>		
<b>INCOME FROM OPERATIONS</b>		
Sales and Services	9,03,23,18,704	6,53,65,32,827
Scrap Materials	69,27,577	1,30,85,765
	<b>9,03,92,46,281</b>	<b>6,54,96,18,592</b>
<b>SCHEDULE 11</b>		
<b>OTHER INCOME</b>		
Miscellaneous Income	13,42,630	1,64,779
Profit on Sale of Assets (Net)	—	3,002
Insurance claim received	62,28,222	64,50,050
Interest	1,88,84,465	95,68,495
Exchange Gain	—	58,071
	<b>2,64,55,317</b>	<b>1,62,44,397</b>
<b>SCHEDULE 12</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
1. Materials	7,25,29,60,777	5,34,77,66,333
2. Personnel Expenses	21,43,15,214	12,97,95,885
3. Operating and Other Expenses	94,18,91,267	51,67,79,681
4. Increase(-)/ Decrease in Stock (+)	(7,31,22,417)	11,99,70,688
	<b>8,33,60,44,841</b>	<b>6,11,43,12,587</b>
<b>12.1 MATERIAL</b>		
<b>a) Raw Materials and Components Consumed:</b>		
Steel	14,83,15,384	6,67,21,721
Zinc	2,38,81,327	64,77,400
Aluminium	3,77,03,471	4,14,54,061
Other Materials	42,10,030	16,59,435
Project Purchases	6,71,89,00,105	4,74,40,78,583
Land (Used for development)	31,780	84,748
Erection Material and Concreting Material	27,95,71,343	43,36,41,261
	<b>7,21,26,13,440</b>	<b>5,29,41,17,209</b>
<b>b) Stores, Loose Tools and Spares Consumed</b>		
	<b>4,03,47,337</b>	<b>5,36,49,124</b>
	<b>7,25,29,60,777</b>	<b>5,34,77,66,333</b>
<b>12.2 PERSONNEL EXPENSES</b>		
Salaries, Wages and Bonus	16,05,29,243	10,37,48,263
Contribution to Provident and Other Funds	3,14,32,517	59,13,184
Workmen and Staff Welfare Expenses	46,84,037	38,28,697
Directors' Remuneration	1,66,46,426	1,14,00,016
Gratuity to Staff	10,22,991	49,05,725
	<b>21,43,15,214</b>	<b>12,97,95,885</b>

# Schedules

forming part of the Consolidated Financial Statements

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 12 (Contd.)</b>		
<b>12.3 OPERATING AND OTHER EXPENSES</b>		
Processing/ Job Charges	39,82,26,457	15,63,44,790
Freight, Carriage and Transport	10,27,45,916	10,49,68,581
Packing Materials	1,24,879	9,89,830
Power and Fuel	1,25,70,656	97,39,916
Rent	1,61,23,405	1,28,07,279
Insurance	64,95,826	27,59,470
Repairs and Renewals:		
Plant and Machinery	12,06,868	
Building	5,69,743	
Others	29,85,108	
Hire Charges	1,43,29,136	69,99,483
Travelling and Conveyance	1,15,16,261	1,04,81,447
Payment to Auditors		
Audit Fees	1,60,000	
Other Capacity Expenses	22,000	
	15,000	
Internal Audit Fees	67,500	1,22,500
Tax Audit	31,000	5,000
Rates and Taxes	9,46,14,492	5,41,46,810
Excise Duty	2,30,08,083	1,72,95,287
Margin on Turnover	6,00,000	6,00,000
Communication Expenses	82,81,152	55,53,933
Bank Commission and Charges	16,83,61,588	9,50,60,930
Miscellaneous Expenses	7,92,45,879	3,51,34,878
Preliminary Expenses written off	—	32,092
Loss on Contract Performance:	5,90,320	11,077
	94,18,91,267	51,67,79,681
<b>12.3.1 MISCELLANEOUS EXPENSES</b>		
Legal Charges, Listing and Filing fees	32,60,727	11,53,383
Sales Promotion and Advertisement Expenses	24,44,438	36,44,904
Testing Charges	76,92,576	34,20,274
Computer/ R & D Expenses	8,42,231	9,08,819
Entertainment Expenses	6,32,337	3,16,805
General Charges	39,39,073	17,97,433
Office Up-keep	16,98,700	24,98,589
Printing and Stationery	23,47,851	21,31,809
Subscription and Donation	24,07,373	36,808
Professional Fees and Services Charges	4,95,89,408	1,23,07,137
Motor Car Expenses	3,41,281	4,32,535
Mobilisation Expenses	26,15,201	55,08,326
Tender fees	8,52,377	7,28,941
Others	3,86,935	2,28,778
Recruitment Expenses	1,95,370	20,337
	7,92,45,879	3,51,34,878

# Schedules

forming part of the Consolidated Financial Statements

	Year ended 31 <sup>st</sup> March, 2011 ₹	Year ended 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 12 (Contd.)</b>		
<b>12.4 INCREASE/ DECREASE IN STOCK</b>		
<b>OPENING STOCK:</b>		
Finished Goods	2,31,23,288	13,74,98,301
Semi Finished Goods and Work-in-Progress	1,08,02,887	1,63,57,431
Scrap Materials	5,18,079	5,59,210
	<b>3,44,44,254</b>	<b>15,44,14,942</b>
<b>CLOSING STOCK:</b>		
Finished Goods	4,48,24,604	2,31,23,288
Semi Finished Goods and Work-in-Progress	6,20,38,998	1,08,02,887
Scrap Materials	7,03,069	5,18,079
	<b>10,75,66,671</b>	<b>3,44,44,254</b>
<b>INCREASE(-)/ DECREASE (+)</b>	<b>(7,31,22,417)</b>	<b>11,99,70,688</b>
<b>SCHEDULE 13</b>		
<b>INTEREST</b>		
On Term Loan	3,36,32,132	2,10,21,021
On Others	4,95,36,785	5,53,32,879
	<b>8,31,68,917</b>	<b>7,63,53,900</b>
<b>SCHEDULE 14</b>		
<b>DEPRECIATION</b>		
Depreciation for the Year	1,52,92,804	1,02,91,187
Less: Transfer to Revaluation Reserve	2,13,071	2,05,958
<b>DEPRECIATION CHARGED TO PROFIT AND LOSS ACCOUNT</b>	<b>1,50,79,733</b>	<b>1,00,85,229</b>



# Notes on Accounts

## SCHEDULE 15 NOTES ON ACCOUNTS

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS 21) – “Consolidated Financial Statements”
  - The subsidiaries (along with Electrical Manufacturing Company Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership Interest	Period for which accounts have been incorporated
EMC Hardware Ltd.	India	100%	01.04.10 - 31.03.11
EMC Solar Ltd.	India	100%	26.05.10 - 31.03.11
EMC Academy Ltd.	India	100%	28.07.10 - 31.03.11
EMC Logistic Ltd.	India	100%	24.06.10 - 31.03.11
EMC Power Ltd.	India	100%	28.05.10 - 31.03.11
EMC Infrastructure Ltd.	India	100%	12.07.10 - 31.03.11
EMC Energy Ltd.	India	100%	28.05.10 - 31.03.11

- These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries on the audited financial statements prepared for consolidation in accordance with the requirements of AS 21.

### 2. Information Regarding Subsidiary Companies

Amount (₹)

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Invest	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit after taxation	Proposed dividend
EMC Hardware Ltd.	25,00,000	(10,93,480)	27,74,023	27,74,023	—	12,446	163	—	163	—
EMC Solar Ltd.	5,00,000	—	6,76,634	6,76,634	—	—	—	—	—	—
EMC Academy Ltd.	5,00,000	—	8,15,809	8,15,809	—	—	—	—	—	—
EMC Logistic Ltd.	5,00,000	—	6,76,384	6,76,384	—	—	—	—	—	—
EMC Power Ltd.	5,00,000	—	6,76,634	6,76,634	—	—	—	—	—	—
EMC Infrastructure Ltd.	5,00,000	—	6,76,384	6,76,384	—	—	—	—	—	—
EMC Energy Ltd.	5,00,000	—	6,76,384	6,76,384	—	—	—	—	—	—

### 3. Segment Reporting

- Segment Reporting as per Accounting Standard 17:

#### Segment Revenues

Amount (₹ in lakhs)

	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Project Construction Division	88,129.33	62,450.86
Tower Manufacturing Division	1,566.52	2,391.84
Aluminum Extrusion, Forging and Conductor Division	696.61	717.99
Segment Total	90,392.46	65,560.69
<b>Segment Results</b>		
Project Construction Division	7,834.22	4,665.33
Tower Manufacturing Division	186.96	252.38
Aluminium Extrusion, Forging and Conductor Division	140.56	71.28
Segment Total	8,161.74	4,988.99
Unallocated Income over expenses	(1,015.97)	(574.34)
Profit before Interest and Tax	7,145.77	4,414.65
Interest	831.69	763.54
Provision for Current Year Tax	2,097.38	1,223.39
Profit after Current Year Tax	4,216.70	2,427.72
Provision for Deferred tax for earlier years	498.64	Nil
Profit after Tax	3,718.06	2,427.72

# Notes on Accounts

## SCHEDULE 15 (Contd.)

Amount (₹ in lakhs)

	Assets		Liabilities	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Project Construction Division	47,491.17	26,612.64	55,643.30	24,945.19
Tower Manufacturing Division	4,139.95	3,330.27	1,460.06	298.63
Aluminum Extrusion, Forging and Conductor Division	618.76	660.94	24.30	26.06
Unallocated assets and Liabilities	18,448.71	2,570.34	2,376.80	328.25
<b>Total</b>	<b>70,698.59</b>	<b>33,174.19</b>	<b>59,504.46</b>	<b>25,598.13</b>

#### 4. Significant Accounting Policy

##### a) Basis of the Presentation

The accounts have been prepared using historical cost convention and on the basis of going concern, with revenues recognized and expenses accounted on accrual basis.

##### b) Fixed Assets

Fixed Assets are stated at cost.

##### c) Project and Other Expenses

Project and other expenses are included under Capital Work-in-Progress incurred during construction period and the same will be allocated to the respective Fixed Assets on the completion of construction.

##### d) Depreciation

Company provides for depreciation on the Fixed Assets at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, on Written Down Value.

##### e) Preliminary Expenses

Preliminary expenses and Pre-operative expenses will be equally amortised over a period of 5 years from the year of the commencement of operation on straight line basis

Figures for the previous year have been re-arranged and re-grouped wherever necessary. Figures in brackets indicate previous year's figure.

Signature to Schedules 1 to 14

For **S.N. BANERJEA & CO.**

Chartered Accountants

**Amalendu Chatterjee**

Partner

Membership No. 1328

Place : Kolkata

Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**

Managing Director

**Ramesh Chandra Bardia**

Jt. Managing Director

**Chandra Sekhar Adhikary**

Company Secretary

# Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2011

	Year ended 31 <sup>st</sup> March, 2011		Year ended 31 <sup>st</sup> March, 2010	
	₹		₹	
<b>(A) Cash Flow from Operating Activities</b>				
Net Profit/ (Loss) before Tax and extra ordinary activities		63,14,08,107		36,51,11,273
Add:				
Depreciation		1,50,79,733		1,00,85,229
Interest		8,31,68,917		7,63,53,900
Miscellaneous Expenditure to the extent written off		—		32,092
Less:				
Miscellaneous expenditure to the extent not written off		11,98,229		—
Profit on sale of Fixed Assets		—	9,70,50,421	3,002
		72,84,58,528		45,15,79,492
Adjustment for:				
(Increase)/ Decrease in Inventories		(45,14,97,162)		18,31,30,191
(Increase)/ Decrease in Sundry debtors		(1,36,96,42,503)		(1,36,94,23,539)
(Increase)/ Decrease in Loans and Advances		(56,93,72,553)		(12,21,89,387)
Increase/ (Decrease ) in Current Liabilities		3,17,49,06,912	78,43,94,694	1,04,32,94,290
Cash generated from operation		1,51,28,53,222		18,63,91,047
Less: Finance charges		8,31,68,917		7,63,53,900
Less: Prior period adjustment		(8,31,68,917)		(7,63,53,900)
(A)		1,42,96,84,305		11,00,37,147
<b>(B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		19,55,33,907		3,38,68,724
Less: Sale of Fixed Assets		—		2,15,480
Purchase of Current Investment		25,03,49,020		—
(B)		(44,58,82,927)		(3,36,53,244)
<b>(C) Cash Flow from Financing Activities</b>				
Proceeds from Short Term Borrowings		13,65,00,000		(1,85,75,956)
Proceeds from Share Capital and Reserve		—		30,00,00,000
Proceeds from Long Term Borrowing		(19,01,61,900)	(5,36,61,900)	(21,30,62,392)
(C)		(5,36,61,900)		6,83,61,652
<b>Total (A+B+C)</b>		93,01,39,477		14,47,45,555
Cash and Cash equivalent opening balance		41,25,02,297		26,77,56,742
Cash and Cash equivalent Closing balance		1,34,26,41,775		41,25,02,297
Increase/ (Decrease)		93,01,39,477		14,47,45,555

Note: The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached  
For **S.N. BANERJEA & CO.**  
Chartered Accountants

**Amalendu Chatterjee**  
Partner  
Membership No. 1328  
Place : Kolkata  
Date : 21<sup>st</sup> July, 2011

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary






## Presence in Indian States



## Overseas Presence



Note: Map not to scale



Erected over  
**11,000+**  
kms in transmission lines

**1,500+**  
Employees

EMC Academy trains over  
**1,600+**  
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✓ Power Transmission



✓ Power Distribution



✓ Industrial Power Distribution



✓ Solar



*Registered Office:*

Constantia Office Complex, 11, Dr. U.N. Brahmachari Street, 8<sup>th</sup> Floor, (South Block) Kolkata - 700 017

Telephone: +91-33-22893122-24 • Fax: +91-33-22893121 • Email: [info@emcpower.com](mailto:info@emcpower.com)

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