

# EXPANDING GLOBAL FOOTPRINT



**ANNUAL REPORT 2012-13**

**EMC Limited**

Spanning Power Globally  
*Since 1953*

International  
**ACCESS**



Spreading  
**WINGS**



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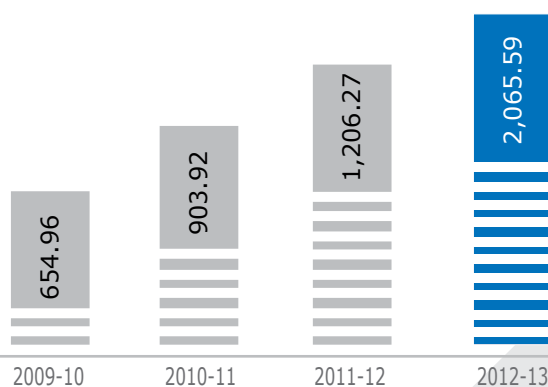
# Financial Highlights

## Performance Highlights

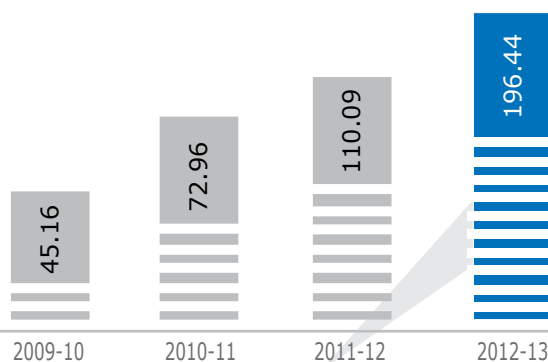
(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13
Turnover	654.96	903.92	1,206.27	2,065.59
EBITDA	45.16	72.96	110.09	196.44
PAT	24.28	42.17	56.92	92.37
PAT Margin (%)	3.71%	4.67%	4.72%	4.47%

## TURNOVER



## EBITDA



## Company Information

### Company Secretary

Mr. Chandra Sekhar Adhikary

### Auditors

SRB & Associates  
Chartered Accountants

### Bankers

State Bank of India  
Allahabad bank  
Punjab National Bank  
UCO Bank  
State Bank of Patiala  
Corporation Bank  
Central Bank of India  
Karur Vysya Bank Limited

### Registered Office

"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

### Board of Directors

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. Durga Prasad Sharma  
Executive Director

### Registrar & Transfer Agent

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

## MD's Message

Dear Shareholders,



### Robust Power Demand

Power plays a key role in accelerating India's socio-economic progress. Even though per capita energy consumption in India is low compared to high-growth developing economies such as China, Brazil and Russia, the demand for energy remains robust in India due to rising industrialization, urbanization, and modernization, giving fresh impetus to the energy sector. According to Draft 18<sup>th</sup> Electric Power Survey, the all-India energy requirement in FY17 is estimated to be 1,354.5 billion units (BUs) and the peak power demand is estimated to be 199.5GWs. In FY14 & FY15, all-India energy requirements are estimated to increase to 1,065BUs and 1,153BUs, respectively, up from the current 984BUs. To this end, we are building assets that will bridge the demand-supply gap in meeting the country's long-term energy needs.

In FY14 & FY15, all-India energy requirements are estimated to increase to **1,065BUs** and **1,153BUs**, respectively, up from the current **984BUs**.



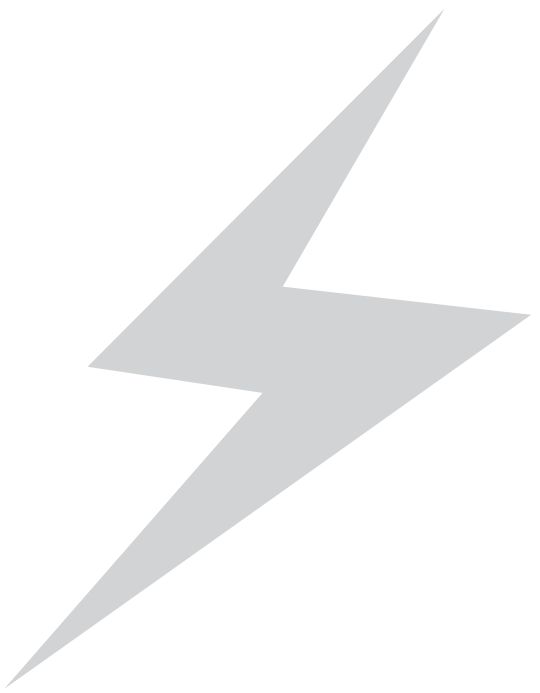
## Diversifying to expand our presence

Investment of US\$ 7.1 trillion in the T&D sector is required globally in the 2010-35 period. The need to change with the times was apparent to us, and we have prepared well. Since last year, we have been consciously focusing on expanding our presence in international markets. We believe this strategy is essential to make our business sustainable in the long run and ensure predictable business outcomes.

Most Indian transmission EPC players are now focusing on overseas Transmission & Development (T&D) industry to counteract delay in state/private sector capital expenditure. By diversifying globally, we are seeking to de-risk the business by not counting on selected customers and topographies.

However, it is not easy to enter the overseas market organically as organizations there only consider vendors who are pre-qualified to execute projects in the particular region. Globally, companies follow systems and processes that create synergies between technical and economic skills by using cutting-edge technologies that help reach a new level of efficiency and enhance capabilities to gain a competitive advantage. This in turn helps in imparting cross-learning and capitalizing on their unique capabilities to support continued growth and improve productivity.

EMC deepened its global presence through acquisition of US based Advanced Steel & Crane Inc, which is engaged in manufacturing and supply of transmission, sub-station and other structures. The company provides sub-station steel structures and components to major power utilities as well as many rural electric cooperatives across the US and Canada. We have also acquired a 70% stake in an Italy-based company named Tecnolines S.r.L., which specializes in executing EHV transmission line projects on a turnkey basis. Currently, the company along with its associations is executing projects worth over ₹ 460 crore.



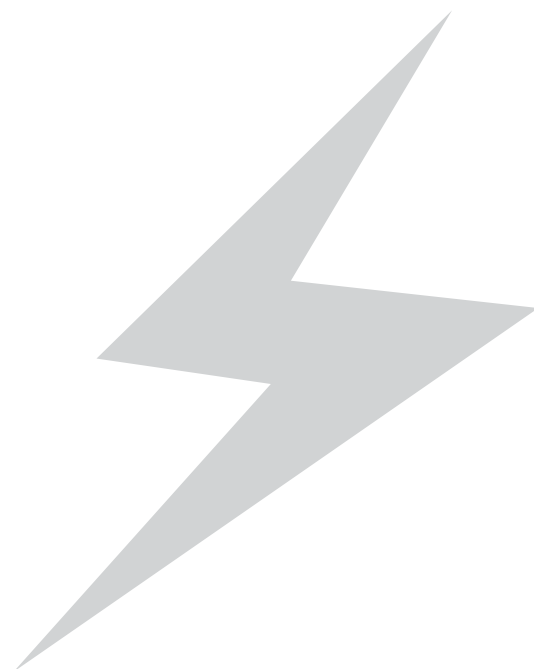
Investment of  
**US\$ 7.1 trillion** in the T&D  
sector is required globally  
in the 2010-35 period.

Through these acquisitions, EMC will gain reach to 32 countries across the world. Tecnolines S.r.L. is pre-qualified across utilities in Europe including Scandinavian, Baltic & Eastern European countries and Africa. Advanced Steel & Crane Inc has over 50-year old relationships with power utilities in the US & Canada and has more than 70 customers, mainly utilities across North America. The total T&D investment over the next five years in North America and Europe is expected to be US\$66.5 billion and US\$107 billion, respectively. Through our strategic acquisitions we will be able to leverage on the opportunities in these markets. We have also opened an office in Kenya and are in the process of setting up a dedicated marketing office in Dubai which would help EMC gain access to the fast growing Middle East Market.

Europe, especially Scandinavian countries have some of the most challenging terrains and weather conditions, which make it difficult to execute Transmission Line projects. Companies use advanced techniques like employing helicopters and remote geographic information system-aided computer technology to execute the projects. We look forward to understanding global best practices and the latest technology being used in this industry and use this knowledge in our India operations. Additionally, we plan to leverage our expertise from Indian operations for American and European subsidiaries over a period of time to improve cost synergies and savings.

Between 2011 and 2016, globally, the transmission and distribution network line lengths will increase by 6.7% compared to the 2011 base. According to NRG Expert, a market energy research company, transmission networks will increase by 9%, with double digit growth forecast for Asia (12.9%), Africa (10.7%), South America (13.8%) and the Middle East (12.6%). Our overseas acquisitions will provide us with an entrenched customer base and we will capitalize on this advantage in the years to come.

The total T&D investment over the next five years in North America and Europe is expected to be **US\$66.5 billion** and **US\$107 billion**, respectively.





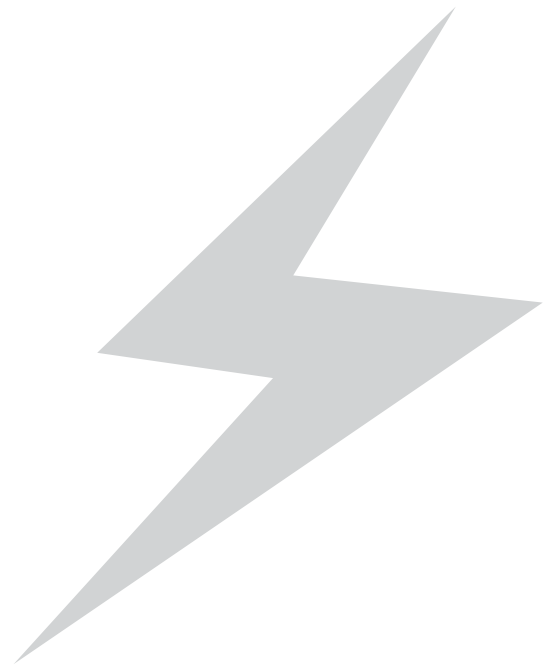


Modernization and upgrade of Indian Railways' electric infrastructure is a key goal for the government to ensure passenger safety and also increase efficiency in running trains. We have broadened our business portfolio by entering the railway segment to offer services in the areas of railway electrification, signalling, telecommunication, safety & security systems civil & track works & SCADA systems. We are also participating in bids for projects by the Central Organization for Railway Electrification (CORE), Rail Vikas Nigam Ltd (RVNL), Dedicated Freight Corridor Corporation (DFCC) and Metro projects across cities in India.

We have also made a foray into 765kV Gas Insulated Substation (GIS) segment, where we have been awarded two projects by PGCIL at Padghe & Vadodara. To reduce the requirement of land for constructing sub-station use, GIS is being gradually adopted in metros, hilly and other urban areas. We have successfully completed one year of operation of our 5MW solar power plant at Naini as part of the Union Ministry of New and Renewable Energy's Jawaharlal Nehru National Solar Mission.

## Moving Ahead

The Company's commitment to the pursuit of improvement, growth and maintaining its on-time execution record has enabled it to give an excellent performance this year. We delivered high returns to our stakeholders despite tough global conditions. The company posted a top line of ₹ 2,065.59 crore, a growth of 71% and profit after tax recorded 62% growth to ₹ 92.37 crore this year while EPS stood at ₹ 27.97 per share.



Between 2011 and 2016, globally, the transmission and distribution network line lengths will increase by **6.7%** compared to the 2011 base.

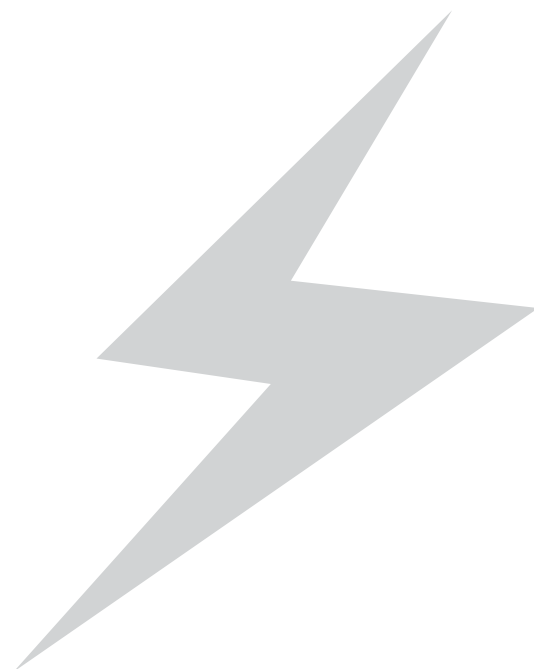
During the year, the company became privately held after delisting from the Calcutta Stock Exchange under SEBI (Delisting of Equity Shares) Regulations, 2009. The delisting was done to obtain full ownership of EMC, which will provide the Promoter with increased operational flexibility to support EMC's business and focus on growth. We are open to partnerships with strategic investors like private equity players or global EPC companies who share the same vision as ours.

Going forward, the company will further strengthen its presence in the Middle East and African countries owing to higher investments in the power sector. We are committed to expanding our customer base to adjoining countries and will look at value-added product opportunities in similar regions. Moreover, our dedicated marketing offices and global diversification will enable us to further support our technology absorption and ensure faster acceptance of international best practices in our Indian units. We will use our current acquisitions to gain access to some of these markets. We are also open to further niche acquisitions that will help us open doors to a ready set of customers.

Our strategy over the next 3-5 years is to establish EMC as one of the top international EPC companies with competence in multiple sectors and quality and safety standards that match the best. Along with India, we would like to serve global markets with a focus on four key markets – US, Europe, Middle East and Africa.

EMC is well placed to ride on the opportunities stemming out of rising investment in infrastructure and industrial sectors in India and globally. We have a broad spectrum of capabilities and expertise with a track record of successful completion of projects meeting rigorous quality standards and delivery schedules.

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With the Indian economy on a high growth curve, bridging the demand-supply gap will be a key concern in the coming years. The Electricity Act, 2003 specifies long-term open entry to private power producers for inter-state transmission of electricity. During the year, the country was faced with many challenges such as high interest rates, infrastructure constraints, and a liquidity crunch. Nonetheless, a slow but stable growth rate is indicative of constant development. The real challenge the country is facing is that of capacity constraints. With rural and semi-urban centres emerging as India's real growth engines, the demand for power in these areas is expected to increase. As the sector opens up for private players, we expect investment in India's power sector to increase.

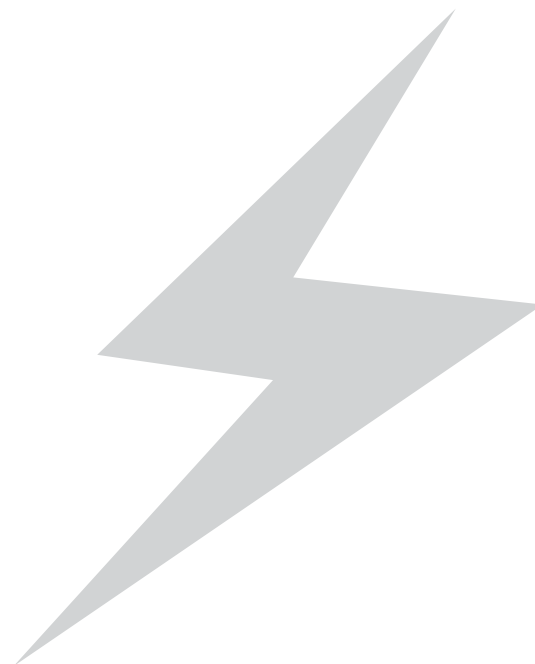
Human asset is crucial to any company's growth. We are keen on building an environment centred on innovation, team spirit and employee friendly policies. Through measures like decentralization and improved motivation, we aim to step up the leadership capability of the enterprise. Our focus has always been on executing best practices and technologies that help increase efficiency in cost, quality, time and safety. Through EMC Academy, we develop trained manpower to focus on our execution capabilities and communicate technical education in the field of power systems.

With substantial and aggressive investments planned for this decade, India will be a lucrative market with respect to demand for products and solutions across the T&D Sector. Alongside, our acquisitions will give us an on-ground presence in the international T&D industry and will help EMC transform itself into a global power system solutions company.

On behalf of the company, I thank all stakeholders for their support. At EMC, the future is bright and full of promises as we aim to sail in new waters in the coming years.

Regards,

**Manoj Toshniwal**



With substantial and aggressive investments planned for this decade, India will be a lucrative market with respect to demand for products and solutions across the T&D Sector.



## Operating Segments





# Operating Segments



Power Transmission



Power Distribution



Industrial Power Distribution



Solar



Railways

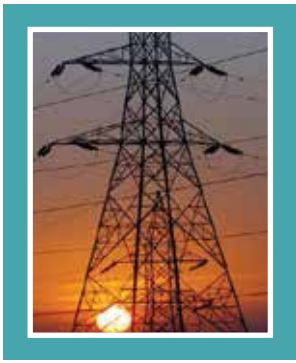
## Economic Overview

The Indian economy has strong fundamentals that are expected to support sustained growth over the medium to long term for the power industry. Going ahead, the GDP growth will be largely dependent on the resurgence of public & private investment especially in infrastructure sector. Key aspects supporting our growth are demographic advantage, domestic consumption demand and the potential for feasible investments in infrastructure development. At EMC, we are equipped to leverage the opportunities presented by the sector.

As the business environment becomes more unstable, complicated, and competition grows stiffer, businesses need to be more proactive, creative and open to the realities of the global trend of occurrences. Sustained growth demands broader presence. In the last few years, investments in the power sector have increased immensely. The number of players has increased across categories with existing players entering new segments and new vendors increasing market share. During the year, EMC focused on developing a more de-risked, high value and integrated approach to business through geographical diversification.

The macro-economic environment remained complex and uncertain during FY2012-13. The year started with buoyancy, but inflation, decelerating growth and a worsening investment climate due to political and policy-related uncertainties adversely influenced market and consumer sentiments. Developed markets continued to weaken, thereby sending strong headwinds towards emerging markets. High interest rates, domestic supply side constraints and soft global economic environment led GDP growth to slow at 5% during FY2012-13. While there are near-term challenges, the economy continues to have the potential for sustaining accelerated rates of growth in the years to come.

During the year, EMC focussed on developing a more de-risked, high value and integrated approach to business through geographical diversification.



## Global Scenario

According to the International Energy Agency's World Energy Outlook (2012), the global energy demand is likely to grow by more than one-third by 2035, with China, India and the Middle East accounting for 60% of the augment. World primary energy consumption is projected to grow by 1.6% p.a. from 2011 to 2030, adding 36% to global consumption by 2030.

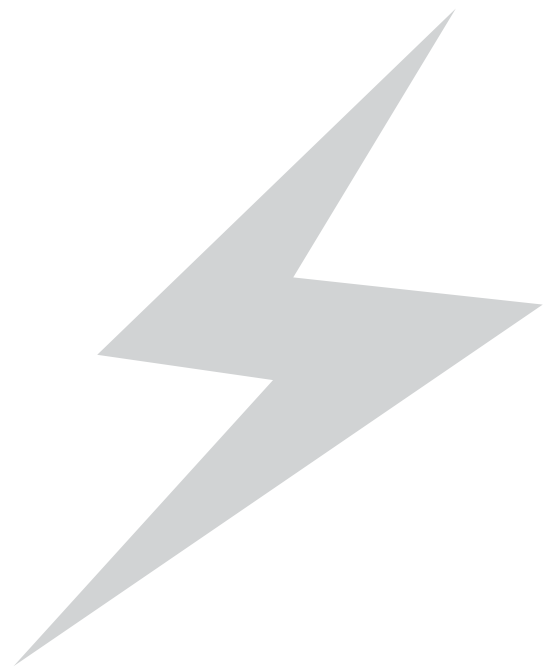
Countries across the globe are planning major investment in the Transmission & Distribution network. Key focus has been placed on modernizing Transmission & Distribution infrastructure and on assimilating decentralized energy resources into the grid. Factors such as growing population and its demand for energy, ongoing industrialization in developing countries, higher standard of living, rising environmental awareness, and scarcity of oil and gas reserves, are likely to facilitate strong market growth.

## Power Sector in India

During the FY2012-13, the total scheduled energy availability increased by 6.2% over the previous year and the peak availability increased by 6.1%. The country faced shortage conditions both in terms of scheduled energy and peak availability.

Particulars	Energy (MU)	Peak (MW)
Requirement	9,98,114	1,35,453
Availability	9,11,209	1,23,294
Shortage	86,905	12,159
(%)	8.7	9.0

Source: Central Electrical Authority (CEA)



World primary energy consumption is projected to grow by **1.6% p.a.** from 2011 to 2030, adding **36%** to global consumption by 2030.

The demand for power is expected to grow at a CAGR of approximately 7.5% during the 12<sup>th</sup> Five Year Plan from 9,68,658 GWh in FY12 to 13,95,065 GWh in FY17, whereas peak load requirement is expected to grow at a CAGR of 7.4%. There will be areas where sustainable sources of energy will play a significant role. Despite the fact that accessibility of power has increased considerably with major investments on the supply side, demand continues to surpass supply by 8-12%.

Contribution of the private sector in capacity generation and transmission is likely to increase during the 12<sup>th</sup> Five Year Plan. The private sector is expected to proffer approximately 60% of the total planned capacity over the 2012-17 period. The government now plans to shift its focus to capacity additions using cleaner resources like renewable and nuclear energy. The increase in private participation is mainly due to measures such as allowing 100% FDI through the automatic route, the setting up of ultra mega power projects and public sector participation through Public Private Partnership initiatives or joint venture route. Despite the favourable growth observed in the generation capacity additions in past few years, electricity shortage persists, imposing significant limitations to India's economic development and growth.

- Availability of reliable and cost-effective energy resources
- Development of new delivery models like decentralized generation
- Accessibility of competitive capital and funds
- Proper training and recruitment of manpower to avoid dearth of human capital
- Planned development of infrastructure

The demand for power is expected to grow at a CAGR of approximately 7.5% during the 12<sup>th</sup> Five Year Plan from 9,68,658 GWh in FY12 to 13,95,065 GWh in FY17, whereas peak load requirement is expected to grow at a CAGR of 7.4%.





The company, with its integrated business operation and significant know-how in all areas of the value chain, is well poised to address opportunities in the sector as they arise.

## Transmission

Transmission and Distribution capacity development should maintain pace with the increasing demand for electricity in India. There is a pressing need for Transmission and Distribution networks to be expanded and strengthened and new technologies like smart grids to be implemented to deliver energy more efficiently and reliably. The inter-regional transmission capacity at the end of 12<sup>th</sup> Five Year Plan is expected to be 63,000 MW.

The total capacity addition during FY2012-13 stood at 20,620 MW (excluding renewable energy based), of which 91% was coal based. About 55% of the above mentioned capacity addition was contributed by the private sector, as against its share of 42% of the gross capacity addition during 11<sup>th</sup> Five Year Plan period (2007-2012).

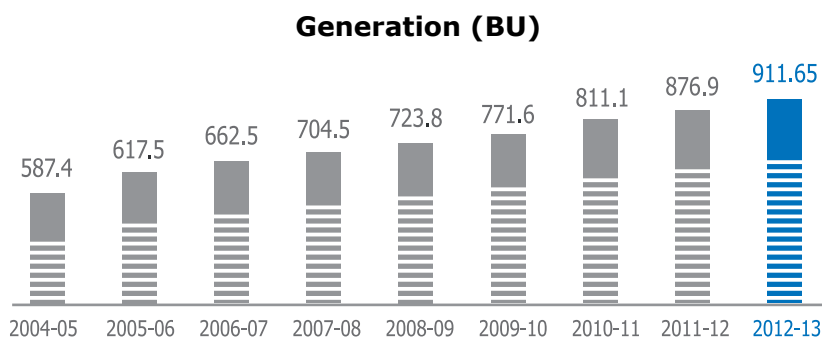
During the 12<sup>th</sup> Five Year Plan, considerable importance will be given to 765kV AC transmission voltage for India's grid. Additionally, significant investments have been planned for HVDC interconnection for bulk power transfer. Several new 765kV lines and substations have been considered for evacuation of bulk power in the range of 3000 – 6000 MW over lengthy distances. These new transmission systems are likely to be executed during 12<sup>th</sup> Five Year Plan or in the early period of the 13<sup>th</sup> Five Year Plan. About 1,09,000 circuit kilometres of transmission lines, 2,70,000 MVA of AC transformation capacity and 13,000 MW of HVDC systems are planned to be added. In order to maintain and protect the electric grid backbone, it will be extremely crucial to implement advanced network management technologies, digital substations and smart grid in the transmission and distribution grid.

The inter-regional transmission capacity at the end of 12<sup>th</sup> Five Year Plan is expected to be **63,000 MW.**

Also, during the 12<sup>th</sup> Five Year Plan, the total fund requirement for development of transmission system is estimated to be around ₹ 1,80,000 crore (₹ 1,00,000 crore in Central Sector, ₹ 55,000 crore in State Sector and ₹ 25,000 crore in Private Sector). The Government also plans to reinforce National Grid with close to 300 GW capacity and about 65 GW of inter-regional transfer capacity by FY2016-17. Consecutively, this will lead to greater prospects to established power transmission EPC contractors to move to the fore.

## Distribution

The total installed capacity of electric generating stations as on March 31, 2013 was 2,23,343.60 MW and the demand was 1,35,453 MW. As against the power generation target of 930 BU for the year 2012-13, 911.65 BU has been achieved, which is 98% of the target.



Source: Central Electrical Authority (CEA)

Being a highly regulated sector, policies play a fundamental role in the development of power sector. After setting up of the Accelerated Power Development and Reforms Programme (APDRP), the Government has introduced the Re-structured Accelerated Power Development and Reforms Programme (RAPDRP). R-APDRP Scheme is still under execution, and as

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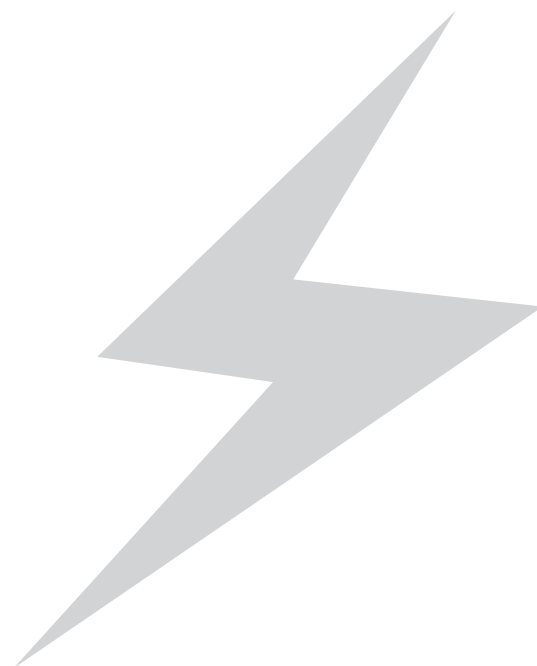
on 31<sup>st</sup> March, 2013, 306 towns have been included with data centre under Part-A of the Scheme. Aggregate Technical and Commercial (AT&C) loss has reduced by an average of 6 to 7% in these towns. After the successful conclusion of the scheme, it is expected that the AT&C loss is likely to diminish by 15% in the project areas.

The Indian government has executed various development measures to maximize the country's power generation capacity and improve distribution. The Government has allowed FDI of up to 100% through the automatic route in all segments of the power sector except for nuclear energy. Plans have been defined to revamp and modernize old power plants. Alongside, efforts are being made to make coal and gas available for power sector in addition to re-evaluating the progress of power projects and discovering the constraint areas and facilitating quicker resolution, so that the projects are commissioned on time.

In addition, the Government has directed Coal India Limited to sign agreements with power plants that are in enduring power purchasing agreements with distribution companies to shrink the cost of raw materials.

## Financial Highlights

On the back of strong order execution, net sales for the FY2012-13 stood at ₹ 2,065.59 crore, a growth of 71% over the previous year. Earnings before interest, depreciation and tax (excluding other income) during the year ending 31<sup>st</sup> March, 2013 increased by 78% to ₹ 196.44 crore. Profit before tax increased by 59% to ₹ 137.17 crore. Profit after tax increased by 62% to ₹ 92.37 crore. EPS stood at ₹ 27.97 per share.



Net sales for the  
FY2012-13 stood at  
₹ 2,065.59 crore,  
a growth of 71% over the  
previous year.

## Operational Highlights

EMC secured a number of orders during the year, taking its total order book to ₹ 5,057.18 crore as on 31<sup>st</sup> March, 2013. During the year, the company successfully completed and commissioned the following transmission lines:

- Supply and erection of 765kV D/C Transmission line from Raigarh – Raipur of Powergrid
- Supply and erection of 765kV S/C Transmission line from Fatehpur to Agra (Part II) of Powergrid
- Supply and erection of 765kV S/C Transmission line from Fatehpur to Agra (Part I) of Powergrid
- Supply and erection of 400kV D/C line from Vijayawada Thermal Power Station to Suryapet (Khammam Road) of APTRANSCO
- Supply and erection of 400kV D/C line from Bhoopalapally Thermal Project to 400kV Gajwel S/S of APTRANSCO

The following projects were won during the year:-

- Railway Electrification from Vizianagaram to Singapur Road – CORE
- Supply and erection of 400kV D/C Transmission Line from Munna to Jujjuru – APTRANSCO
- Supply and erection of Midnapore 33/11kV Indoor substation – WBSEDCL
- Supply and erection of Malda 132kV GIS substation – WBSETCL
- Supply and erection of Mathabhanga 33/11kV GIS Indoor – WBSEDCL
- Supply and erection of Nzzirpur 132kV GIS Substation – WBSETCL

Total Orders as on  
31<sup>st</sup> March, 2013  
₹ 5,057 crore.



## GIS Substation

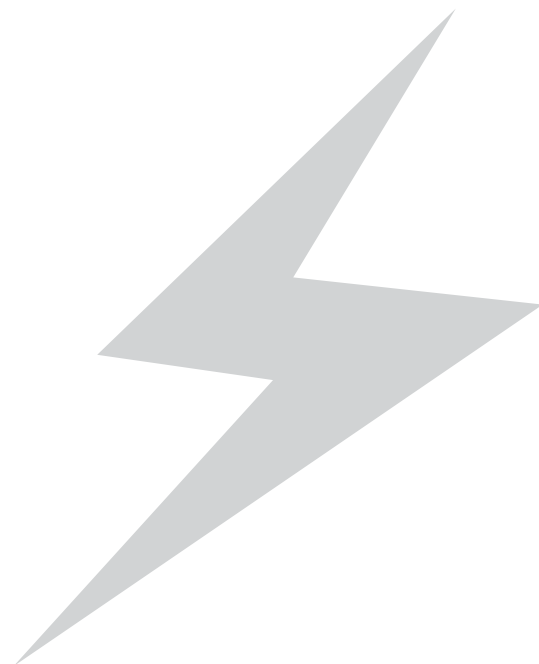
During the year, the company participated in sub-station packages as it has tied-up with NHVS, China and qualifies for Gas Insulated Sub-station (GIS) of highest rating i.e. 765kV. We won the 765kV GIS sub-station by Powergrid for its 765/400kV Vadodara and Padghe sub-stations. The company also bagged prominent orders from WBSEDCL/ WBSETCL for putting up 132kV, 33/11kV GIS substations.

## Delisted from Calcutta Stock Exchange

The company delisted from Calcutta Stock Exchange and became a privately held company.

## Necessity and Objective of Delisting Offer

As stated in the Explanatory Statement of Notice of Postal Ballot dated 24<sup>th</sup> August, 2012, there has been no trading of the equity shares of the Company at the CSE in the last few years. The objective of the Acquirers in making the Offer is (i) to obtain full ownership of EMC, which will provide the Promoter with increased operational flexibility to support EMC's business and (ii) to provide an exit opportunity to the Public Shareholders. The delisting Proposal, if successful, will also result in a scenario where EMC is not subject to the conditions for continuous listing, inter alia, to maintain a minimum public shareholding of 25% pursuant to the Securities Contracts (Regulations) Rules, 1957 as amended from time to time.



## New Business Line – Railways

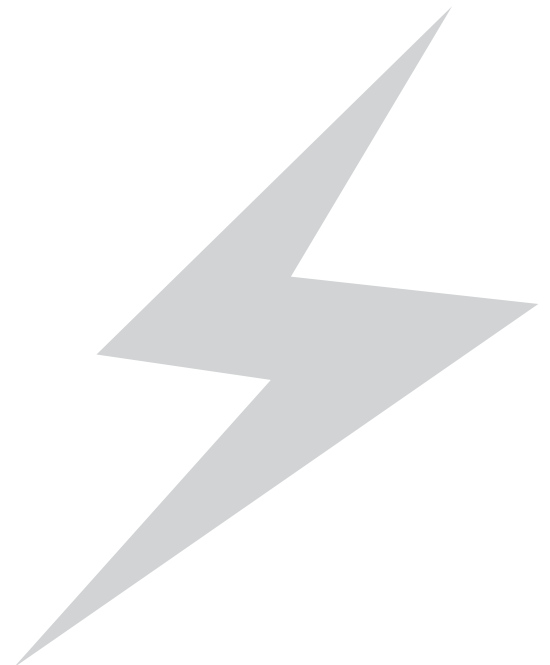
In line with its growth strategy, the company further expanded its operations by foraying into Railways during the current year. Opportunities in Railways would primarily come from Network Electrification, Dedicated Freight Corridor and Urban Metro / Monorail Projects. The Company plans to participate in Railway Infrastructure by utilizing its expertise in project management, and engineering combined with strong technical support. It has the capabilities to accomplish projects on time in any geographical terrains. The solutions provided include railway electrification, signalling, telecommunication, safety & security systems, civil & track works & SCADA systems.

The Company has been awarded on Turnkey Basis 25kV, 50 Hz, Single Phase OHE including TSS, SCADA & Electric General Works in Vizianagaram - Singapur Road Section of East Coast Railway under Railway Electrification Project Bhubaneswar for 138.84 RKM / 369 TKMs. Pre-qualified along with JV partner GCF SpA for OHE, substation & SCADA systems for Delhi Mass Rapid Transport System (Phase #3) for U/G stations. It has tied up with other players to bid in Railway Electrification Projects for Central Organization for Railway Electrification (CORE). It will also soon formalize partnerships through binding agreements with leading global companies on future co-operation for Railway infrastructure projects.

## Global Expansion

Land acquisition appears to be an increasingly significant challenge for power projects in India. Delays in acquiring land and obtaining environmental clearances cause significant delay in different projects. At the same time organic growth in global market is not a simple task as companies there only favour Class 1 vendors. Developing countries often are the geography of choice because of their relatively high population growth and unaddressed market needs. So last year the company exercised a de-risking strategy by going global. The company voyaged into some key markets.

The company plans to participate in Railway Infrastructure by utilizing its expertise in project management, and engineering combined with strong technical support.

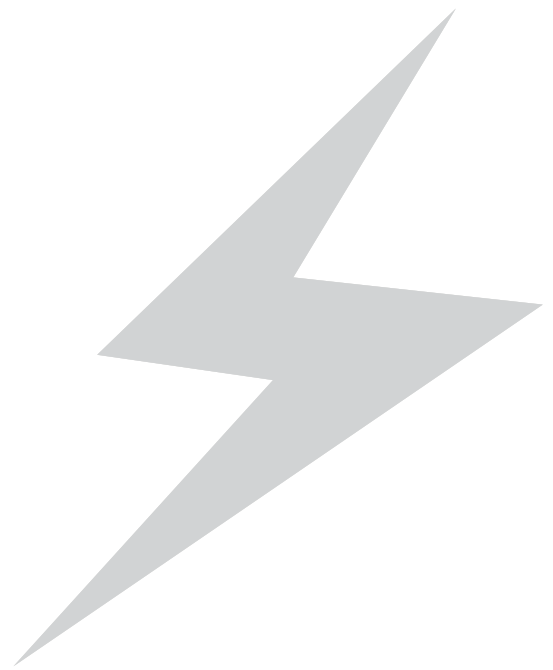




**North America** – Acquired a United States based company, Advanced Steel & Crane Inc. engaged in manufacturing and supply of transmission, sub-station & other structures at Tulsa, Oklahoma. The acquired company provides steel structures and components to major electrical utilities and to many rural electric co-operatives across United States and Canada. It has over 50-year old relationships with power utilities in the United States and Canada and has more than 70 customers.

**Europe** – Acquired majority stake in an Italian company named Tecnolines Srl. specializing in executing EHV Transmission Line projects on turnkey basis. Tecnolines S.r.L. is pre-qualified across utilities in Europe including Scandinavian, Baltic & Eastern European countries & Africa; through it EMC has gained presence in 32 countries. Tecnolines in association with its partners is currently executing one 400kV transmission line project in Finland valued at \$13.9 million, one 300kV DC transmission project in Sweden valued at \$41.8 million and one 400kV transmission project in Sweden valued at \$28.6 million.

Through these acquisitions the company aims to strengthen its place in overseas market, enhance capabilities and access to technology, project qualification and customer base. It will also help the company understand the new technologies and practices being followed globally. In turn it will improve collaborative efforts and exchange of knowledge management and pave the way to larger and more lucrative customers. The company is further looking at strategic tie-ups in Africa and GCC countries. According to NRG Expert, distribution networks are set to augment by 6.5% globally, with the strongest growth seen in the Middle East (16.9%) and Africa (11.5%) between 2011 and 2016.



As Tecnolines S.r.L. is pre-qualified across utilities in Europe including Scandinavian, Baltic & Eastern European countries & Africa, through it EMC will gain access to **32** countries.

## Green Initiative

The Company successfully operated the 5MW solar power plant at Naini, for more than one year which was set up as part of the Union Ministry of New and Renewable Energy's Jawaharlal Nehru National Solar Mission. The environment-friendly plant provides sustainable and renewable energy that earns carbon credits. This was the first solar plant of its kind in the state of Uttar Pradesh, India.

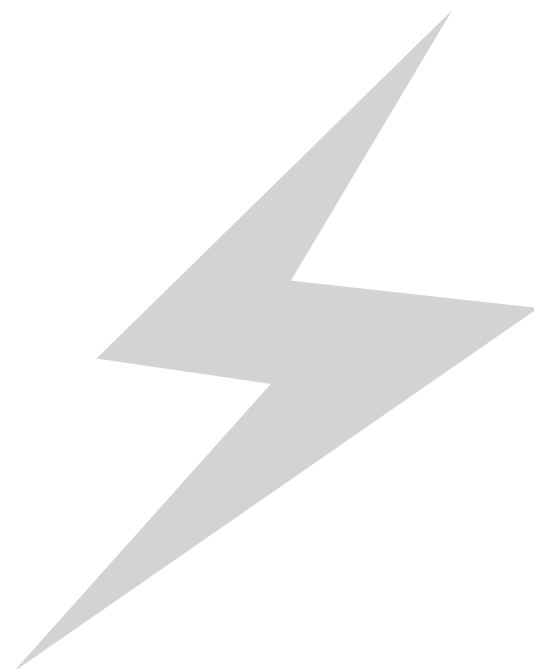
## Risks

The execution of many transmission projects could be delayed due to local disturbances and Right of Way issues. Besides, execution delays could happen due to shortage of manpower, delays in receipt of environmental clearances, approval, natural calamities etc. Increase in input costs, currency fluctuation with open exposure, delay in execution and interest cost burden can have negative impact on 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 the Audit Committee and the Board of 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.

The company is further looking at strategic tie-ups in Africa and GCC countries.

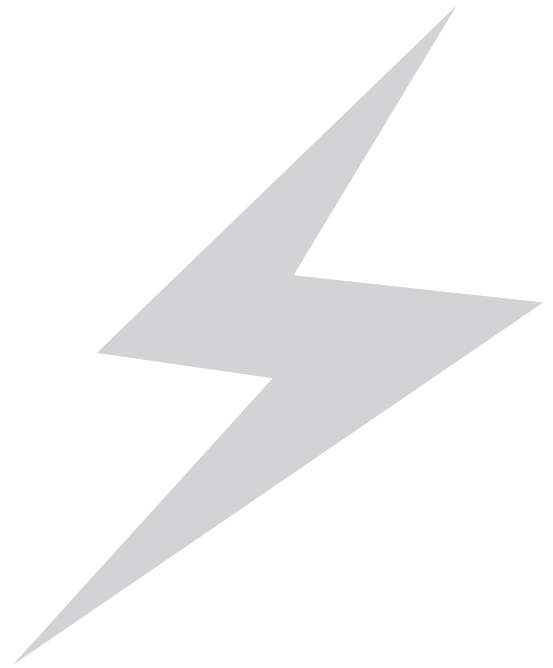






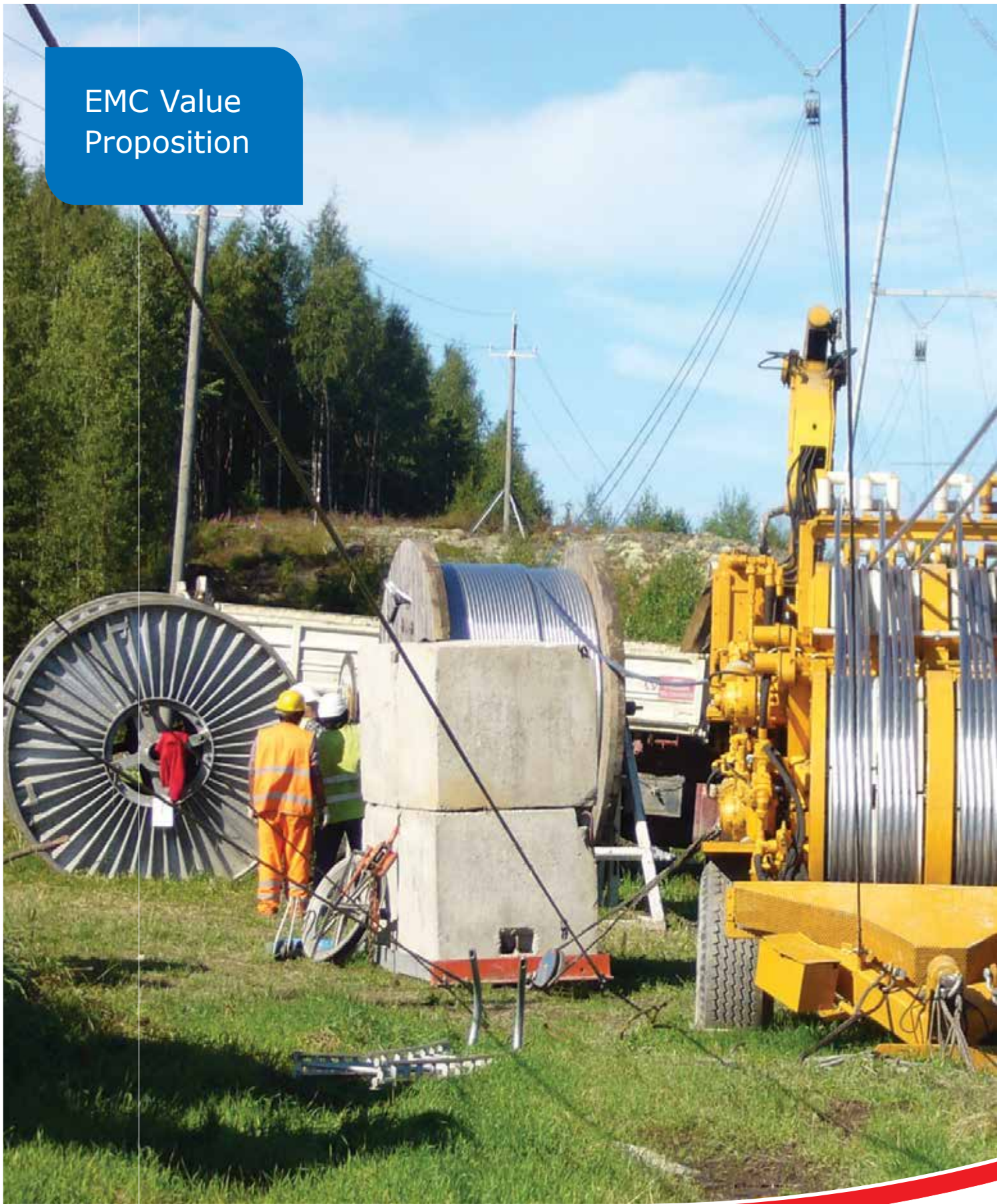
## Cautionary Statement

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 which the company operates, changes in Government Regulations, tax laws and other statutes and other incidental factors.

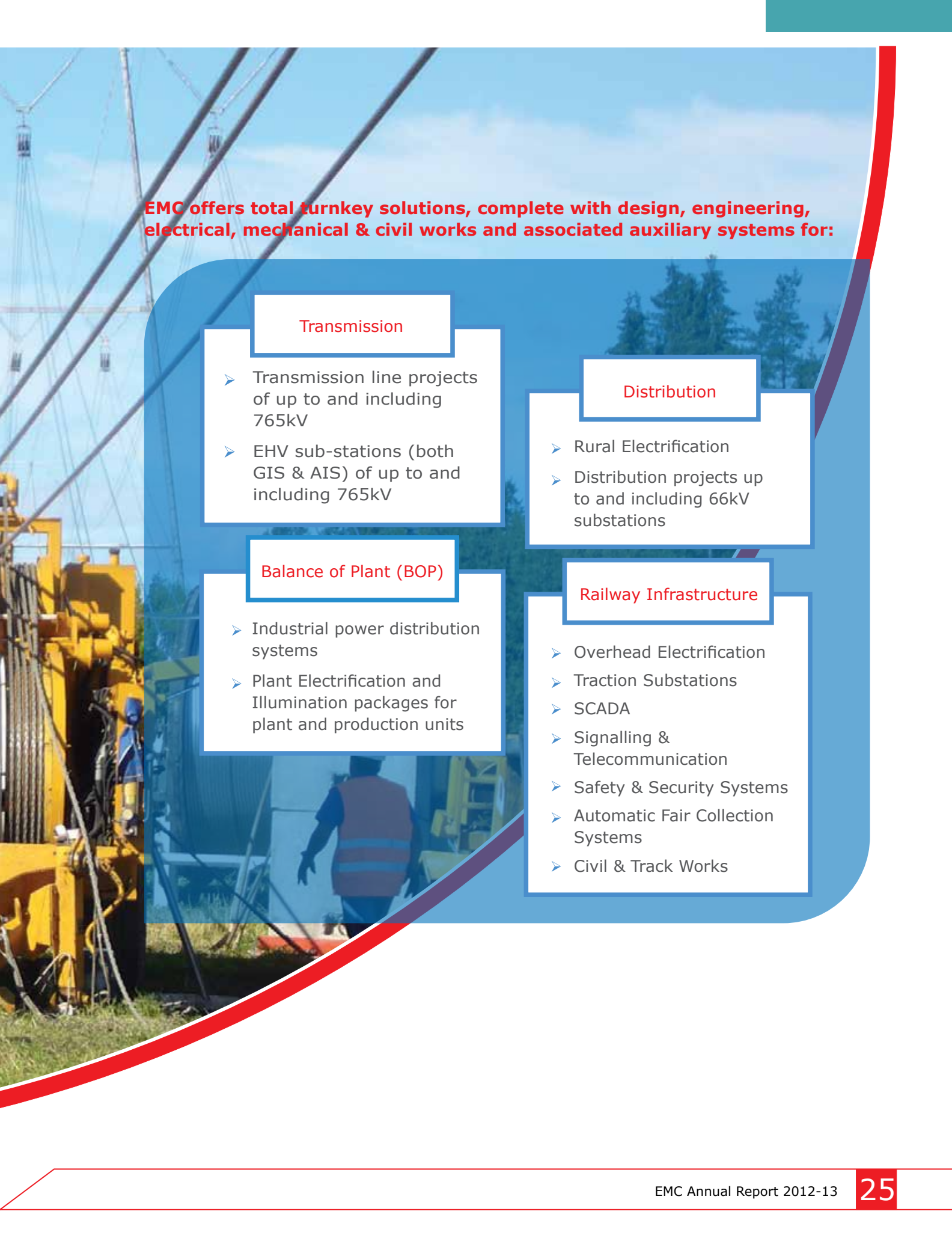


Through these acquisitions the company aims to strengthen its place in overseas market, enhance capabilities and access to technology, project qualification and customer base.

## EMC Value Proposition







**EMC offers total turnkey solutions, complete with design, engineering, electrical, mechanical & civil works and associated auxiliary systems for:**

#### Transmission

- Transmission line projects of up to and including 765kV
- EHV sub-stations (both GIS & AIS) of up to and including 765kV

#### Balance of Plant (BOP)

- Industrial power distribution systems
- Plant Electrification and Illumination packages for plant and production units

#### Distribution

- Rural Electrification
- Distribution projects up to and including 66kV substations

#### Railway Infrastructure

- Overhead Electrification
- Traction Substations
- SCADA
- Signalling & Telecommunication
- Safety & Security Systems
- Automatic Fair Collection Systems
- Civil & Track Works

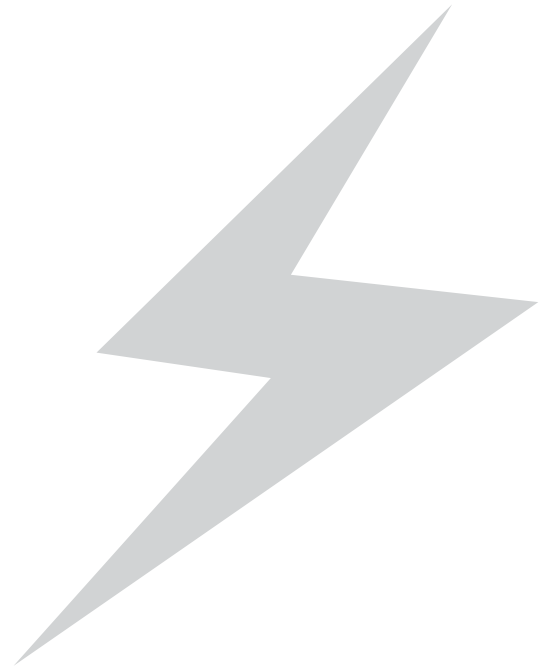
## Human Resources

To us in EMC, our employees are our most valuable resource. People are our core assets and we believe in grooming, developing and nurturing the best talent so that they are equipped to take up strategic leadership roles in the organization and steer the company onto a high growth path. We provide an enabling organizational environment, so that employees are able to demonstrate their capabilities and deliver persistent value for the enterprise. Our processes and systems are geared towards creating structured and fast-track career opportunities for meritorious resources within the organization. Today, we are over 1,500 member strong team.

Now through our operations in USA, Europe, Africa & Middle East we have become a global company which has led to further integrating global best HR practices with our belief of fostering a culture of openness, transparency and constantly challenging status quo. Mutual respect, integrity and commitment to values are the hall marks of our cultural framework. We believe in inculcating a strong sense of ownership towards work and the organization. Our Occupational Safety norms and procedures ensure a safe and healthy workplace for all employees. We initiate every effort along the way to harness the power of human capital in driving business transformation.

### Recruit the best

We believe in hiring the right person for the right job and therefore job-role fit becomes a key determinant to the way we hire. Our recruitment strategy focuses on hiring employees who have the best job-relevant competencies and a winning attitude. The basic objective of our talent selection policy is to ensure that we acquire a repertoire of talent that can drive the business strategy of the organization.



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"Coming together is a beginning. Keeping together is progress. Working together is success."

– Henry Ford

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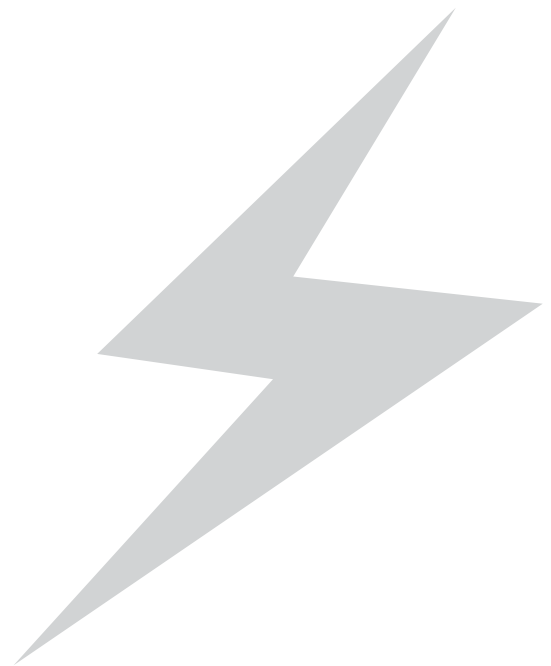
Drive to excel, a solution-centric approach, strong project management skills, and the ability to think on the feet are few of the generic competencies that we look for in a potential hire. Creating diversity in terms of experience and skill-sets is also one of the defining characteristics of our hiring plans. We also focus on hiring candidates who are self-starters with a passion for innovation. During the year we hired experienced personnel across the globe to further build our organization and expand our business.

## Training & Development

We have always invested in learning and skill development at all levels of the company. Through EMC Academy, we train and develop application based technical expertise and skill levels across all levels of the organization. We have training programs that continuously update skills and knowledge of our people at all levels. We have also included Graduate/ Diploma Engineer Trainee (GET/DET) Programs to meet the technical requirements of our industry.

We believe that our proposition as an integrated, innovative and global organization can only be leveraged by a team of truly empowered employees. Also, strict adherence to employee safety and quality norms are key to project execution as a responsible organization. These measures are the core in our endeavour to attract, motivate and retain talent which can drive our performance to greater heights.

We believe in hiring the right person for the right job and therefore job-role fit becomes a key determinant to the way we hire.





## Legacy & Milestones



2012-2013

- One of the first company in India to be awarded 765kV GIS based substation at Padge & Vadodara by PGCIL
- Awarded on Turnkey basis 25kV, 50 Hz, Single Phase OHE including TSS, SCADA & Electric General Works in Vizianagaram Singapur Road Section of East Coast Railway under Railway Electrification Project Bhubaneswar for 138.84 RKM/369 TKMs
- Acquired US based company Advanced Steel & Crane Inc. having manufacturing of transmission, sub-station & other structures at Tulsa, Oklahoma
- Acquired Italy based company Tecnolines S.r.L. specialized in executing EHV Transmission Line projects on turnkey basis

2010-2012

- Completed 400kV sub-station at Pirana for PGCIL
- 1<sup>st</sup> Batch to sign PPA with NTPC Vidyut Vyapar Nigam Ltd. for setting up a 5 MW Solar Power Plant in UP under JNNSM
- Awarded one of the largest EPC contracts to execute 410 kms of 765kV D/C line from Tuticorin to Salem with 3 associated sub-stations

2000-2010

- Completes one of the first 765kV Single Circuit line project in India
- Bags (One of the) 1<sup>st</sup> 765kV Double Circuit Line order in India

1990-2000

- First company to obtain ISO certification for transmission lines

1980-1990

- First company to supply hardware units to NTPC

1970-1980

- First company in India to export towers to Kuwait. Also first to establish 132kV line in the Snow Zone, about 9,000 ft above elevation in Jammu & Kashmir

1960-1970

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

1950-1960

- Company established in 1953
- Sets up its first conductor factory. This is followed by setting up of extrusion and forging units and its first transmission line factory

India's power Transmission & Distribution (T&D) sector is currently witnessing unmatched interest and investments across the value chain. Although significant investments have been planned and numerous projects are on the move, the lack of skilled manpower to implement these projects and consequently operate and maintain them is already being felt. Lack of training and retention of manpower are the two challenges faced by Human Resources in the T&D sector.

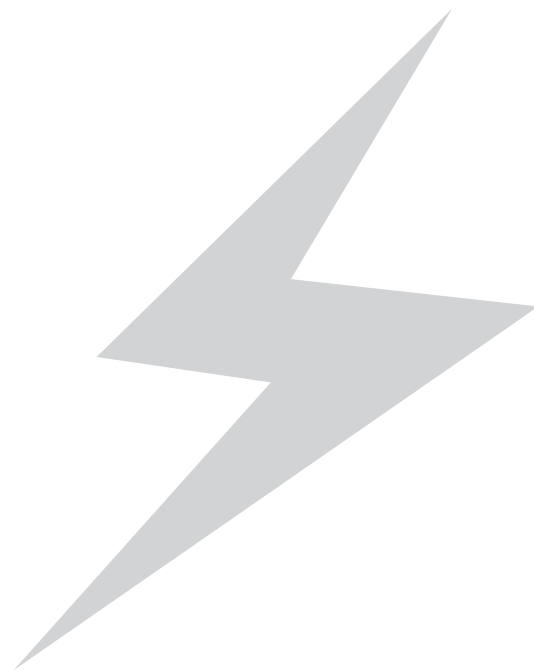
The enhancements in technology and the increasing scale of operations would require appropriately skilled manpower. This in turn also increases the criticality of each skilled employee and hence the importance of adequate training increases to enlarge the available pool of trained manpower. As one of the leading players in the EPC industry, we recognized that the availability of trained manpower is a key to our growth. The company started EMC Academy to tackle the concern of trained manpower shortage in the T&D sector.

## Key Developments

During the year, EMC Academy shifted to its new state-of-the-art building in Kolkata. The building has four comprehensive audiovisual & CCTV system enabled virtual class rooms. Each class room is well equipped with modern state-of-the-art training facilities which make learning more convenient for the participants. The Master Class Room also has Video-conferencing system which helps connecting with Industry experts from far of locations.

The building is self-sufficient with a Library, Seminar Room and Canteen besides spacious arrangement for faculty members and guests. Well equipped with all modern audio visual aids, the Academy has a capacity to train 1,600 students per annum.

"Confidence comes from  
discipline and training."  
– Robert Kiyosaki



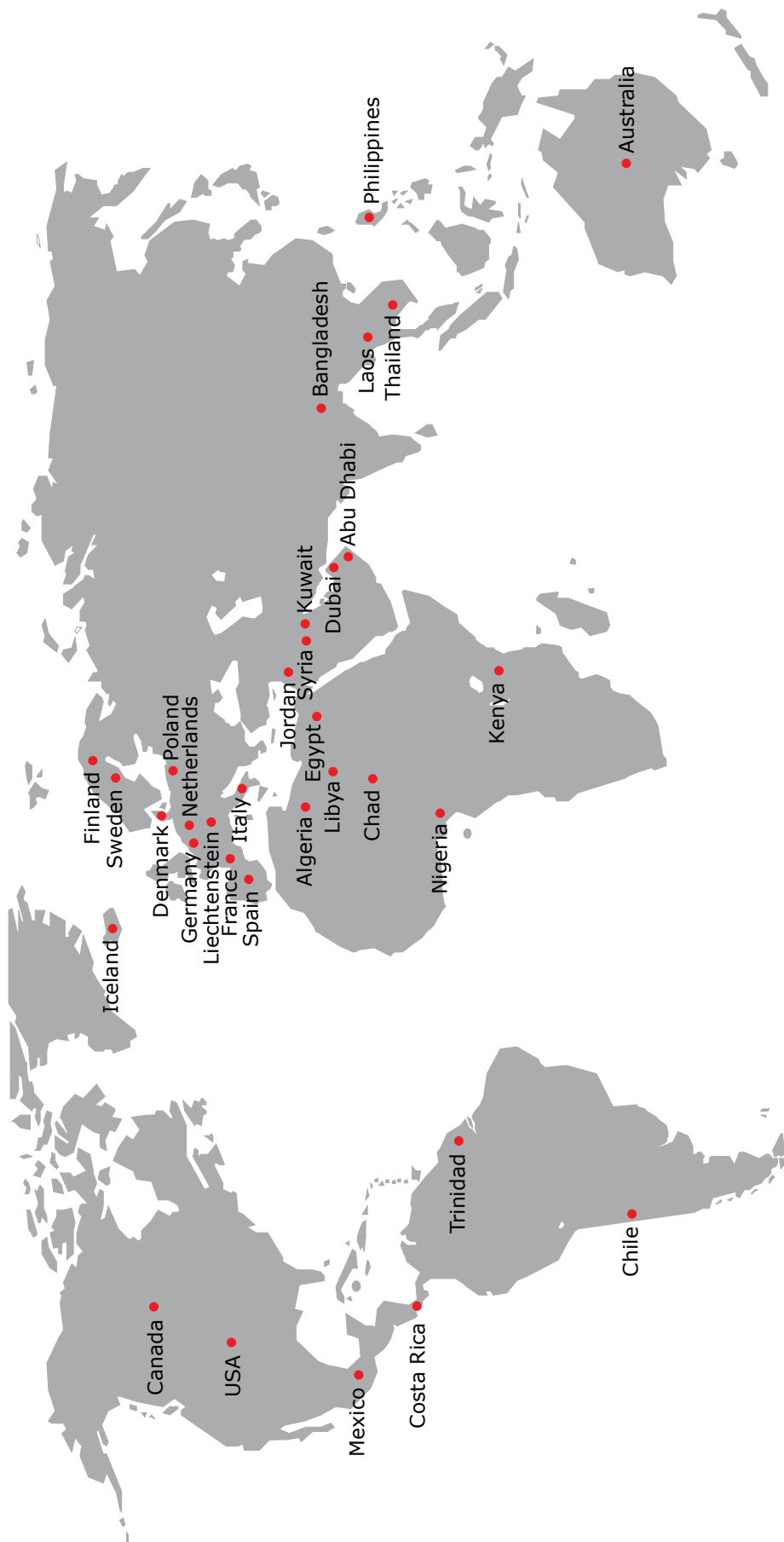


Through EMC Academy, training is imparted in disciplines like Environment Management, Civil Design and Quality Control, Planning of Power Systems, Quality Management, Safety Management, Behavioural Management extending to the students, industries and Government agencies. A total of 18,880 man days of training to different categories of employees of EMC Limited has been imparted during 2012-2013.

It is essential that all stakeholders put in a concerted endeavour to facilitate adequate skilled manpower availability for the power sector. If successful, it can help the transmission & distribution sector which in turn can provide the required impetus to meet the global power needs.



## Overseas Projects



## Key Facts

Erected over

**12,000+**

kms of transmission lines

**1,500+**

Employees

EMC Academy trains over

**1,600+**

students annually

Presence in more than

**30+**

countries





# Financial Statements

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Fifty-Seventh Annual Report of your Company and the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31<sup>st</sup> March, 2013 is summarized below:

	2012-13 ₹	2011-12 ₹
<b>INCOME</b>		
Income from Operation	20,65,59,74,061	12,06,27,10,014
Other Income	7,69,87,366	4,38,79,599
	<u>20,73,29,61,427</u>	<u>12,10,65,89,613</u>
<b>EXPENDITURE</b>		
Manufacturing and Other Expenses	18,76,85,53,976	11,00,56,88,878
Interest	45,61,26,643	19,10,79,864
Depreciation	13,66,26,800	4,77,62,484
	<u>19,36,13,07,419</u>	<u>11,24,45,31,226</u>
<b>PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS &amp; TAXATION</b>	<u>1,37,16,54,008</u>	<u>86,20,58,387</u>
Add/Less: Exceptional Items	-	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION</b>	<u>1,37,16,54,008</u>	<u>86,20,58,387</u>
Add/Less: Extraordinary Items	-	-
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>	<u>1,37,16,54,008</u>	<u>86,20,58,387</u>
Tax Expenses	44,79,16,421	29,33,68,816
<b>PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS FOR THE YEAR</b>	<u>92,37,37,587</u>	<u>56,86,89,571</u>
Deferred Tax (Expense)/Benefit for earlier years	-	(4,86,525)
<b>(A) Profit after Taxation from continuing operations</b>	<u>92,37,37,587</u>	<u>56,91,76,096</u>
Profit before Taxation from discontinuing operations	-	-
Less: Tax Expense for discontinuing operations	-	-
<b>(B) Profit after Taxation from discontinuing operations</b>	-	-
Profit after Taxation for the period (A+B)	<u>92,37,37,587</u>	<u>56,91,76,096</u>

# Directors' Report

## FINANCIALS

The total income of your Company has increased to ₹ 20,73,29,61,427/- from ₹ 12,10,65,89,613/- in the previous financial year. The profit before tax (PBT) increased from ₹ 86,20,58,387/- to ₹ 1,37,16,54,008/-. The profit after tax for the current year is ₹ 92,37,37,587/- as against ₹ 56,91,76,096/- 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, 2013.

The Board of Directors of your Company at its meeting held on 17<sup>th</sup> May, 2013 approved the Audited Consolidated Financial Statements for the financial year 2012-13 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this report.

## DELISTING OF EQUITY SHARES OF THE COMPANY

During the financial year ended on 31<sup>st</sup> March, 2013, your Company voluntarily delisted from the Calcutta Stock Exchange Limited, the only Stock Exchange where the Equity Shares of the Company were listed, w.e.f. 1<sup>st</sup> March, 2013 in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009.

## CHANGE IN TOTAL PAID UP CAPITAL OF THE COMPANY

During the financial year ended on 31<sup>st</sup> March, 2013, the total paid up capital of your Company has been

increased from ₹ 33,00,00,000 to ₹ 37,00,00,000 w.e.f. 30<sup>th</sup> March, 2013 through Preferential Allotment of Equity Shares of the Company in accordance with the Unlisted Public Companies (Preferential Allotment) Rules, 2003 as amended in 2011.

## SUBSIDIARIES

As on 31<sup>st</sup> March, 2013, your Company had the following subsidiary companies - EMC Hardware Limited, EMC Solar Limited, EMC Tower Limited, EMC Forging Limited, EMC Logistics Limited, EMC Infrastructure Limited, EMC Academy Limited, EMC Overseas Limited, Advanced Steel & Crane Inc. and Tecnolines International SRL.

Advanced Steel & Crane Inc., USA became a wholly owned subsidiary w.e.f. 19<sup>th</sup> July, 2012 and Tecnolines International SRL, Italy became a subsidiary w.e.f. 18<sup>th</sup> October, 2012. The names of two subsidiaries of your Company, EMC Power Limited and EMC Energy Limited have been changed to EMC Tower Limited and EMC Forging Limited respectively subsequent to the changes in their main objects in the Memorandum and Articles of Association of the Company.

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.

## DIVIDEND

Your Board has recommended a Dividend of Re. 1 per Equity Share (10 per cent) for the financial year 2012 - 13 to the Equity shareholders of your Company. The Dividend for the financial year 2012 - 13 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 2012-13 and there are no outstanding fixed deposits from the public as on 31<sup>st</sup> March, 2013.

# Directors' Report

## 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 a total of ₹ 6,052.21 lacs (previous year ₹ 1,858.45 lacs) towards foreign exchange outgo during the financial year under review (which includes Investments made and Advances given to Foreign Subsidiaries) and has earned ₹ 92.94 lacs (previous year ₹ 2,318.39 lacs) 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, 2013, 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, 2013 on a going concern basis.

## DIRECTORS

During the financial year under review, Mr. Arun Kumar Datta, Non-Executive Independent Director of the Company ceased to be a Director w.e.f. 9<sup>th</sup> November, 2012. The Board wishes to place on record its appreciation for the valuable services rendered to the Company by Mr. Arun Kumar Datta during his association with the Company. Further, the Board appointed Mr. Nand Lal Singh and Mr. Vineet Kumar Surana as the Additional Independent Directors of the Company w.e.f. 9<sup>th</sup> November, 2012. However, they both ceased to be the Directors of the Company w.e.f. 11.02.2013.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Saubir Bhattacharyya, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

# Directors' Report

## AUDITORS

The Auditors of your Company, M/s SRB & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment as the Auditors of your Company for the financial year 2013-14. Your Company has obtained a written consent from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Audit Committee and the Board of Directors of your Company recommend the re-appointment of M/s SRB & Associates, Chartered Accountants, as the Auditors of your Company for the financial year 2013-14.

## 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  
Dated: 17<sup>th</sup> May, 2013

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Joint Managing Director



# Independent Auditors' Report

## To the Members of EMC Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of EMC Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

4. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
5. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

# Independent Auditors' Report

- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
6. As required by Section 227 (2) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
  - ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SRB & ASSOCIATES**

Chartered Accountants  
Firm Regn. No: 310009E

**Bisworanjan Sutar**

Partner  
Membership No:066708

Place: Kolkata  
Date : 17<sup>th</sup> May, 2013

# Annexure to Auditors' Report of EMC Limited for the year ended 31<sup>st</sup> March, 2013

## Referred to in paragraph 4 of our report of even date

1. In respect of its fixed assets
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories:
  - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
3. The company has not taken or given any loans, secured or unsecured from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal controls system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of The Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - b. Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore the provisions of clause (VI) of the Companies (Auditor's Report) Order 2003 are not applicable.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

## Annexure to Auditors' Report of EMC Limited for the year ended 31<sup>st</sup> March, 2013

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as on 31<sup>st</sup> March 2013 for a period of more than six months from the date they become payable.
  - c. Details of dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Amount involved (Figure in ₹)
The West Bengal Value Added Tax Act, 2003	Value Added Tax	Revisional Board	98,66,839
		Deputy Commissioner (Appeals)	6,87,62,718
		Deputy Commissioner (Appeals)	6,04,07,748
		Deputy Commissioner (Appeals)	3,66,62,359
Central Excise Act, 1944	Service Tax	CESTAT (Tribunal)	26,01,247
		Deputy Commissioner	4,44,135
Total			17,87,45,046

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions, debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, mutual fund debentures and other investments and timely entries have been made therein. All shares, debentures, mutual fund and other investments have been held by the Company in its own name.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

## Annexure to Auditors' Report of EMC Limited for the year ended 31<sup>st</sup> March, 2013

17. In our opinion and according to the information and explanations given to us and on an overall ex According to the information and explanation given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
18. According to the information and explanation given to us, the Company has not issued any secured debentures during the year under audit.
19. The Company has not raised any money through public issue during the year.
20. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For SRB & ASSOCIATES**

Chartered Accountants  
Firm Registration No.: 310009E

**Bisworanjan Sutar**

(Partner)

Membership No. 066708

Place: Kolkata  
Date : 17<sup>th</sup> May, 2013

# Balance Sheet as at 31<sup>st</sup> March, 2013

	Schedule No.	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
a) Share capital	1	37,00,00,000	33,00,00,000
b) Reserves & Surplus	2	2,42,36,64,131	1,07,84,88,792
		2,79,36,64,131	1,40,84,88,792
<b>2. NON-CURRENT LIABILITIES</b>			
a) Long term Borrowings	3	1,35,67,33,931	62,59,58,149
b) Deferred Tax Liabilities (Net)	4	9,00,04,107	5,28,13,446
c) Other Long term Liabilities	5	1,37,80,37,204	1,53,90,69,991
		2,82,47,75,242	2,21,78,41,586
<b>3. CURRENT LIABILITIES</b>			
a) Short term borrowings	6	3,36,42,95,967	2,97,17,13,346
b) Trade Payables	7	5,58,24,21,056	2,30,43,16,982
c) Other current Liabilities	8	85,21,43,628	10,16,05,752
d) Short term Provisions	9	20,85,34,913	3,96,90,075
		10,00,73,95,563	5,41,73,26,154
		<b>15,62,58,34,936</b>	<b>9,04,36,56,532</b>
<b>II. ASSETS</b>			
<b>4. NON-CURRENT ASSETS</b>			
a) Fixed Assets:	10		
i. Tangible Assets		1,92,20,06,932	1,23,84,41,252
ii. Intangible Assets		40,16,220	30,55,026
iii. Capital work-in-progress		4,62,70,182	14,08,57,432
b) Non-current Investments	11	13,74,52,770	53,49,020
c) Long term Loans & Advances	12	8,16,26,520	8,16,26,520
d) Other non-current Assets	13	27,62,15,225	40,87,06,381
		2,46,75,87,849	1,87,80,35,631
<b>5. CURRENT ASSETS</b>			
a) Inventories	14	1,74,72,53,504	91,50,35,827
b) Trade Receivables	15	5,37,44,02,026	3,56,24,35,244
c) Cash and cash Equivalents	16	74,15,10,144	86,70,65,945
d) Short term Loans & Advances	17	5,11,35,02,894	1,67,17,95,154
e) Other Current Assets	18	18,15,78,519	14,92,88,731
		13,15,82,47,087	7,16,56,20,901
		<b>15,62,58,34,936</b>	<b>9,04,36,56,532</b>
Significant Accounting Policies & Notes on Financial Statements	1 to 32		

**As per our Report of even date attached**

**For M/s SRB & Associates**

Chartered Accountants  
(Firm Regn. No. 310009E)

**Bisworanjan Sutar**

(Partner)  
Membership No. 066708  
Kolkata, The 17<sup>th</sup> day of May, 2013.

**For and on behalf of the Board**

**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, 2012

	NOTE NO.	For the Period Ended 31 <sup>st</sup> March, 2013 ₹	For the year Ended 31 <sup>st</sup> March, 2012 ₹
<b>I INCOME</b>			
Revenue From Operations	19	20,65,59,74,061	12,06,27,10,014
Other Income	20	7,69,87,366	4,38,79,599
<b>Total</b>		<b>20,73,29,61,427</b>	<b>12,10,65,89,614</b>
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	21	14,00,10,59,588	8,56,58,75,250
Change in inventories of Finished goods work-in-progress and Stock-in Trade	22	(33,96,76,909)	1,18,86,499
Employee benefits Expense	23	57,41,26,993	40,68,73,929
Finance Costs	24	45,61,26,643	19,10,79,864
Depreciation and Amortization	25	13,66,26,800	4,77,62,484
Other Expenses	26	4,53,30,44,303	2,02,10,53,200
<b>Total</b>		<b>19,36,13,07,419</b>	<b>11,24,45,31,226</b>
<b>Profit before Exceptional, Extraordinary items and Taxation</b>		<b>1,37,16,54,008</b>	<b>86,20,58,387</b>
Add/Less: Exceptional Items		-	-
<b>Profit before Extraordinary items and Taxation</b>		<b>1,37,16,54,008</b>	<b>86,20,58,387</b>
Add/Less: Extraordinary Items		-	-
<b>Profit before Taxation from continuing operations</b>		<b>1,37,16,54,008</b>	<b>86,20,58,387</b>
Tax Expenses:			
- Current Tax (MAT/IT)	40,74,73,827	23,22,93,051	
Tax adjustment of an earlier year	(11,73,592)	6,26,668	
Interest on Income tax	44,25,525	1,30,47,304	
- Deferred Tax (Expense)/Benefit-for Current Year	3,71,90,661	44,79,16,421	4,74,01,793
<b>Profit after Taxation from continuing operations for the year</b>		<b>92,37,37,587</b>	<b>56,86,89,571</b>
- Deferred Tax (Expense)/Benefit-for Earlier Years	-	(4,86,525)	
<b>A) Profit after Taxation from continuing operations</b>		<b>92,37,37,587</b>	<b>56,91,76,096</b>
Profit before Taxation from discontinuing operations		-	-
Less: Tax Expense for discontinuing operations		-	-
<b>B) Profit after Taxation from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after Taxation for the period (A+B)</b>		<b>92,37,37,587</b>	<b>56,91,76,096</b>
Earnings per Equity Share (Face Value of )	27		
- Basic		27.97	17.25
- Diluted		27.97	17.25
Significant Accounting Policies & Notes on Financial Statements	1 to 32		

**As per our Report of even date attached**

**For M/s SRB & Associates**

Chartered Accountants  
(Firm Regn. No. 310009E)

**Bisworanjan Sutar**

(Partner)  
Membership No. 066708  
Kolkata, The 17<sup>th</sup> day of May, 2013.

**For and on behalf of the Board**

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary



# Cash Flow Statement for the year ended 31<sup>st</sup> March 2013

	Year Ended 31 <sup>st</sup> March, 2013 ₹	Year Ended 31 <sup>st</sup> March, 2012 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Tax as per Profit and Loss Account</b>	1,37,16,54,008	86,20,58,387
<b>Adjusted for:</b>		
Depreciation/Amortization	13,66,26,800	4,77,62,484
Interest on Fixed Deposit	(5,15,10,689)	(4,29,63,748)
Interest Expenses-Financial Cost	45,61,26,643	19,72,65,213
Profit on sale of Fixed Assets	(7,333)	-
<b>Operating Profit Before Working Capital Changes:</b>	<b>1,91,28,89,430</b>	<b>1,06,41,22,337</b>
<b>Adjusted for (Increase (-)/Decrease(+)) in:</b>		
Inventories	(83,22,17,677)	(30,40,72,840)
Sundry Debtors	(1,64,23,63,187)	(28,83,30,761)
Loans and Advances	(3,51,11,09,967)	(1,04,27,65,496)
Current Liabilities and Provisions	2,71,01,44,668	(19,05,77,648)
	(3,27,55,46,163)	(1,82,57,46,746)
Cash Flow From Operating Activities before Tax Payments	(1,36,26,56,733)	(76,16,24,409)
Taxes Paid	(21,47,35,849)	(20,94,61,303)
<b>Cash Flow From Operating Activities (A)</b>	<b>(1,57,73,92,582)</b>	<b>(97,10,85,712)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Asset Purchased	(72,67,92,914)	(1,10,86,29,616)
Proceeds from Sale of Fixed Assets	25,000	-
Investment in Subsidiary	(13,21,03,750)	(5,00,000)
Sale of Current Investment	-	25,00,00,000
Interest on Fixed Deposit	5,15,10,689	4,29,63,748
<b>Cash Flow From Investing Activities (B)</b>	<b>(80,73,60,975)</b>	<b>(81,61,65,868)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	69,43,62,067	1,13,83,33,971
Increase in Capital and Reserves	50,00,00,000	-
Proceeds from Long Term Borrowings	1,55,93,15,757	41,22,88,080
Interest Paid	(45,61,26,643)	(19,72,65,213)
Dividend paid Including Tax	(3,83,53,425)	(3,84,80,888)
<b>Cash Flow From Financing Activities (C)</b>	<b>2,25,91,97,756</b>	<b>1,31,48,75,950</b>
Net Increase(+)/Decrease(-) in Cash and Cash Equivalents (A+B+C)	(12,55,55,801)	(47,23,75,631)
Opening Balance of Cash and Cash Equivalents	86,70,65,945	1,33,94,41,576
Closing Balance of Cash and Cash Equivalents	<b>74,15,10,144</b>	<b>86,70,65,945</b>
<b>Notes:</b>		
1. All figures in brackets are outflow.		
2. Cash and Cash Equivalent is as per Balance Sheet.		

**As per our Report of even date attached**

**For M/s SRB & Associates**

Chartered Accountants  
(Firm Regn. No. 310009E)

**Bisworanjan Sutar**

(Partner)

Membership No. 066708

Kolkata, The 17<sup>th</sup> day of May, 2013.

**For and on behalf of the Board**

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary

# Significant Accounting Policies & Notes

## Significant Accounting Policies & Notes annexed to and forming part of Company's Balance Sheet and Profit & Loss Account as at and for the year ended 31<sup>st</sup> March, 2013.

### A) Significant Accounting Policies

#### i) Basis of Preparation

The financial statements are prepared under the Historical cost convention method, using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles in India & the requirements of the Companies Act, 1956, including the Notified Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

#### ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon transfer of title and rendering of services to the customers.

#### iii) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT/VAT), taxes, borrowing costs directly attributable to acquisition, incidental expenses and erection/commissioning etc., upto the date, the asset is ready for its intended use.

#### iv) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of wherever the carrying amount of an asset exceeds its recoverable amount which represents the impairment based on external/internal factor. An impairment loss is recognized greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital.

#### v) Foreign Currency Transactions

##### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### c) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

# Significant Accounting Policies & Notes

## vi) Depreciation

- a) Depreciation on all Fixed Assets are calculated under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation is calculated on prorata basis on additions and deletions of Fixed Assets during the year except for assets costing ₹ 5,000/- or less on which 100% Depreciation is provided.
- c) Depreciation on individual items of plant and machinery costing ₹ 5,000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and machinery in accordance with amendments to Schedule XIV to the Companies Act, 1956 vide Notification No. GSR No. 101(E) dated 01.03.1995.
- d) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- e) Computer software costs capitalized are amortized using the Straight Line Method over estimated useful life of 10 years, as estimated at the time of capitalization.

## vii) Investments

Long term Investments are stated at Cost, short term investments are valued at cost or market price whichever ever is less.

## viii) Inventories

Inventories are valued as under:

- a) Raw materials, Stores spares, loose tools and Erection materials are valued at cost.
- b) Cost of Semi Finished Goods and Finished Goods have been valued on Weighted Average basis.
- c) Finished goods are stated at lower of Cost or Net Realisable Value.
- b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

## ix) Research & Development

Research and development expenditure of revenue nature are charged to Profit & Loss Account.

## x) Employee Benefits

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services is rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

## xi) Earning per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# Significant Accounting Policies & Notes

## **xii) Excise Duty and Custom Duty**

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, Custom duty on imported material in transit/lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

## **xiii) Borrowing Costs**

Borrowing Costs relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **xiv) Taxation**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

## **xv) Segment Reporting**

### **a) Identification of segments**

The company has identified its business segments as the primary segments. The company's businesses are organized and managed separately according to the nature of products/ services, with each segment representing a strategic business unit that offers different product / services and serves different markets.

### **b) Allocation of Common Costs**

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

## **xvi) Sales**

All sales are resulting from the nature of business of the Company. However erection sales, forming part of total sales, are inclusive of VAT and Service Tax (except in case of the State of Andhra Pradesh). All bills relating to price variation, excess supplies and extra works etc. are raised by the Company on the basis of the terms of the contract and are accounted for in the books only after the same has been accepted by the customers during the course or at the end of the contract.

## **xvii) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

# Notes on Financial Statements for the Period ended 31<sup>st</sup> March, 2013

## NOTE - 1

### SHARE CAPITAL

#### Authorized

7,50,00,000 Equity Shares of ₹ 10/- each

#### Issued, Subscribed and Paid-up

3,70,00,000 Equity Shares of ₹ 10/- each fully paid-up

As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
75,00,00,000	75,00,00,000
<b>75,00,00,000</b>	<b>75,00,00,000</b>
37,00,00,000	33,00,00,000
<b>37,00,00,000</b>	<b>33,00,00,000</b>

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year

### Number of Shares

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Number of shares outstanding at the beginning of the year	3,30,00,000	3,30,00,000
Add: Arising out of shares issued during the year	40,00,000	-
	3,70,00,000	3,30,00,000
Less: Shares forfeited/brought back/cancelled during the year	-	-
Number of shares outstanding at the end of the year	<b>3,70,00,000</b>	<b>3,30,00,000</b>

## NOTES:

### Details of changes in Share Capital:

- of the above share 3,32,51,180 shares are allotted as fully paid-up for payment in Cash.
- of the above shares 48,000 shares are allotted as fully paid up pursuant to a contract without payments received in cash.
- of the above shares 6,90,000 shares are allotted as fully paid up by way of bonus shares by capitalization of General Reserves.
- of the above 10,820 shares are allotted as fully paid upon cancellation and conversion of 1,082 cumulative preference shares of ₹ 100/- each fully paid up.
- of the above 30,00,000 shares are allotted fully paid upon cancellation and conversion of 30,00,000 non cumulative redeemable preference shares of ₹ 10/- each.
- Number of shares held by each share holder holding more than 5% shares in the company are as follows:

Particulars	Number of Shares		% of Shareholding	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Equity Shares:</b>				
i) MKN Investments Pvt. Ltd.	40,00,000	-	10.81	-
ii) Pyramid Sales Pvt. Ltd.	59,04,305	59,04,305	15.96	17.89
iii) Trinetra Electronics Ltd.	24,48,528	24,48,528	6.62	7.42
iv) Tamkore Investments Pvt. Ltd.	24,00,000	24,00,000	6.49	7.27
v) Metalind Private Ltd.	28,50,000	28,50,000	7.70	8.64
vi) Subhas Impex Pvt. Ltd.	33,96,056	33,96,056	9.18	10.29
vii) Statefield Trade Link Pvt. Ltd.	18,00,000	18,00,000	4.86	5.45
viii) Vinod Dugar	43,18,624	43,18,624	11.67	13.09
ix) Sheetal Dugar	44,29,145	44,29,145	11.97	13.42
x) Mr. Ramesh Chandra Bardia	20,04,889	19,00,000	5.42	5.76

# Notes on Financial Statements

	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	₹		₹	
<b>NOTE - 2</b>				
<b>RESERVE &amp; SURPLUS</b>				
<b>Capital Reserves</b>				
As per last Balance Sheet		14,51,991		14,51,991
<b>Revaluation Reserves</b>				
As per last Balance Sheet	46,06,417		48,17,355	
Add: Adjustment for Sale of old Assets	1,134		-	
	46,07,551		48,17,355	
Less: Transferred to Depreciation Account	2,09,957	43,97,594	2,10,938	46,06,417
<b>Share Premium</b>				
As per last Balance Sheet	27,00,00,000			27,00,00,000
Add: Premium on Shares issued during the year	46,00,00,000	73,00,00,000		
<b>Forfeiture Reserve Account</b>				
As per last Balance Sheet		51,250		51,250
<b>Surplus</b>				
As per last Balance Sheet	76,40,25,709		23,32,03,038	
Add: Profit after tax earned during the period	92,37,37,587		56,91,76,096	
Less: Proposed Dividend	3,70,00,000		3,30,00,000	
Less: Dividend Distribution Tax	60,02,325	1,64,47,60,971	53,53,425	76,40,25,709
<b>Other Reserves</b>				
As per last Balance Sheet	3,83,53,425		3,84,80,888	
Add - Dividend Proposed including distribution tax for the year 11-12			3,83,53,425	
Less: Dividend and Distribution tax paid/ transferred to Unpaid Dividend	(3,83,53,425)		(3,84,80,888)	
Add : Dividend Proposed including distribution tax for the year 12-13	4,30,02,325	4,30,02,325	-	3,83,53,425
		<b>2,42,36,64,131</b>		<b>1,07,84,88,792</b>
<b>NOTE - 3</b>				
<b>LONG- TERM BORROWINGS</b>				
<b>Secured</b>				
Term Loan				
From Banks		68,62,49,570		41,77,96,073
From Others (IRD. Government of W.B)		7,04,84,361		7,04,84,361
Car Loan		-		3,77,715
<b>Unsecured Loan</b>				
From Banks		60,00,00,000		-
From Others		-		13,73,00,000
		<b>1,35,67,33,931</b>		<b>62,59,58,149</b>

# Notes on Financial Statements

## NOTE - 3.1

1. Term Loans from Punjab National Bank and Oriental Bank of Commerce are secured by way of creation of charge ranking Parri Passu on the Fixed Assets of Solar Power Project and all other existing and future movable and immovable assets of the company. The loans are further secured by personal guarantees of some of the Promoter Directors of the Company.
2. Term Loans from Punjab National Bank & Oriental Bank of Commerce are Repayable over 44 Quarterly Installments commencing from the quarter beginning 1<sup>st</sup> October, 2012.
3. Term Loans taken from UCO Bank, Karur Vysya Bank and Central Bank under Equipment Finance arrangement (to the tune of ₹ 65.00 Crores) have been secured by creation of First Charge on the fixed assets (Equipments) of the company to be created out of Bank Finance on Pari Passu basis with other lending banks financing the proposed Term Loan requirement of the Company. The loans are further secured by personal guarantees of some of the Promoter Directors of the Company.
4. The Term Loan under Equipment Finance arrangement is repayable in 10 equal quarterly installments starting from Quarter ending March, 2013.
5. Unsecured term Loan from South Indian Bank (to the tune of ₹ 100 crores) is repayable in 10 equal Quarterly Installments starting from the quarter ending June 2013-14 and bears an interest rate of 13.50% p.a.
6. Loan from Govt. of West Bengal is secured by way of Pari Passu charge ranking next only to the charges in favour of financial institutions/Banks, on the fixed assets of the company, both present as well as future. The Loan is repayable in fourteen equal annual installments (excluding interest) starting from 31<sup>st</sup> March, 2013. The Loan carries interest of 8.75% p.a. with a rebate of 2% p.a. for timely repayment. Interest is paid as and when due.
7. Vehicle loan is secured by way of mortgage of vehicle. The loan carries interest of 12.20% and is repayable within next year.

	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 4</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance	5,28,13,446	58,98,178
Add - Adjustment for current year	3,71,90,661	4,74,01,793
- Adjustment for previous year	-	(4,86,525)
Closing Balance	<b>9,00,04,107</b>	<b>5,28,13,446</b>
<b>NOTE - 5</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Advances from Customers	96,52,17,463	1,27,55,88,159
Trade Payables (payable beyond 12 months)	41,28,19,741	26,34,81,832
	<b>1,37,80,37,204</b>	<b>1,53,90,69,991</b>



# Notes on Financial Statements

	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 6</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>i) Working Capital Loan - Secured</b>		
From Banks - repayable on demand	1,99,91,96,039	1,16,75,33,972
<b>ii) Other Loans and Advances - Unsecured</b>		
Advance from Customers	1,36,50,99,927	1,80,41,79,374
	<b>3,36,42,95,967</b>	<b>2,97,17,13,346</b>
<b>NOTE - 6.1</b>		
<b>Working Capital Facilities are secured by way of:</b>		
1. Hypothecation on Pari Passu basis of the entire Stock in Trade, Book Debts and any other current assets of the company, both present and future.		
2. First charge on the entire immovable and movable Fixed Assets of the Company and equitable mortgage on Landed properties of the Company at Naini (Allahabad) excluding the assets of solar power project.		
3. Personal guarantees of some of the Promoter Directors of the Company.		
<b>NOTE - 7</b>		
<b>TRADE PAYABLE S</b>		
Sundry Creditors for goods and expenses	5,58,24,21,056	2,30,43,16,982
	<b>5,58,24,21,056</b>	<b>2,30,43,16,982</b>
<b>NOTES - 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) Current maturities of long-term debt:		
Term Loan (Amount to be paid in one year) - Principal	71,10,00,000	2,80,00,000
Car Loan (Amount to be paid in one year)	3,77,715	4,08,546
	71,13,77,715	2,84,08,546
ii) Unpaid Dividend	2,78,964	2,05,887
iii) Interest Accrued but not paid	1,10,77,418	61,21,047
iv) Other Liabilities	12,94,09,531	6,68,70,272
	<b>85,21,43,628</b>	<b>10,16,05,752</b>
<b>NOTE - 9</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for Gratuity	-	13,62,245
Provision for Income Tax (Net of advance tax)	19,59,89,911	3,65,05,720
Other Provision *	1,25,45,002	18,22,110
	<b>20,85,34,913</b>	<b>3,96,90,075</b>

\* Other provision represents liability for excise duty on goods lying as closing stock at factory premises

# Notes on Financial Statements

## NOTE - 10 FIXED ASSETS

(Amount in ₹)

Particular of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Gross Block as on 01.04.2012	Addition during the year	Sale/ Adjustments during the year	Gross Block as on 31.03.2013	Accumulated Depreciation upto 01.04.2012	Depreciation during the year	Deduction/ Adjustment during the year	Accumulated Depreciation upto 31.03.2013	As at 31.03.2013	As at 01.04.2012
TANGIBLE ASSETS (A)										
FREEHOLD LAND	34,50,280	-	-	34,50,280	-	-	-	-	34,50,280	34,50,280
BUILDING AND STRUCTURES	7,89,45,520	88,90,467	-	8,78,35,987	1,23,69,722	17,52,653	-	1,41,22,375	7,37,13,612	6,65,75,797
PLANT AND MACHINERY	1,36,32,40,886	79,83,66,532	16,53,317	2,15,99,54,100	22,70,29,450	1,301,41,657	16,36,784	35,55,34,323	1,80,44,19,778	1,13,62,11,436
VEHICLES	1,21,38,310	7,53,904	-	1,28,92,214	76,70,848	4,88,963	-	81,59,810	47,32,404	44,67,462
FURNITURE, FIXTURE & EQUIPMENT & COMPUTER	4,54,21,207	1,18,69,495	-	5,72,90,702	1,76,84,931	39,14,913	-	2,15,99,843	3,56,90,859	2,77,36,277
TOTAL (A)	1,50,31,96,203	81,98,80,398	16,53,317	2,32,14,23,284	26,47,54,951	13,62,98,185	16,36,784	39,94,16,352	1,92,20,06,932	1,23,84,41,252
INTANGIBLE ASSETS (B)										
COMPUTER SOFTWARE, LICENCES FOR SOFTWARE	38,85,951	14,99,766	-	53,85,717	8,30,925	5,38,571	-	13,69,496	40,16,220	30,55,026
TOTAL (A+B)	1,50,70,82,153	82,13,80,164	16,53,317	2,32,68,09,000	26,55,85,875	13,68,36,757	16,36,784	40,07,85,848	1,92,60,23,152	1,24,14,96,278
PREVIOUS YEAR	50,67,07,896	1,00,03,74,257		1,50,70,82,153	21,76,12,453	4,79,73,422		26,55,85,875	1,24,14,96,278	

# Notes on Financial Statements

	As at 31 <sup>st</sup> March, 2013 ₹		As at 31 <sup>st</sup> March, 2012 ₹	
<b>NOTE - 11</b>				
<b>NON CURRENT INVESTMENTS</b>				
<b>Unquoted at Cost in wholly owned subsidiaries</b>				
25,000 (P.Y: 25,000) Shares of ₹ 100/- each fully paid in EMC Hardware Ltd. at cost	15,00,000		15,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid in EMC Infrastructure Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid in EMC Logistics Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid-up in EMC Energy Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid-up in EMC Power Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid-up in EMC Solar Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid-up in EMC Academy Ltd. at cost	5,00,000		5,00,000	
15,00,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid-up in EMC Overseas Ltd. at cost	1,50,00,000		5,00,000	
		1,95,00,000		50,00,000
<b>Quoted at Cost</b>				
3,878 (P.Y: 3,878) Shares of ₹ 10/- each fully paid-up in Powergrid Corporation of India Ltd. (Market Value - ₹ 4,10,292/- (PY ₹ 4,19,406))		3,49,020		3,49,020
<b>Foreign Acquisitions</b>				
4,900 shares of Advanced Steel & Crane Inc.		11,05,85,000		-
70% Quota of Tecnolines S.r.L.		70,18,750		-
		13,74,52,770		53,49,020
<b>NOTE - 12</b>				
<b>LONG-TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered Good)				
i) Advance Sales Tax	8,16,26,520	8,16,26,520	8,16,26,520	8,16,26,520
		8,16,26,520		8,16,26,520

# Notes on Financial Statements

	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>NOTES - 13</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
i) Trade Receivables (over six months)	3,27,42,208	3,27,42,208
Less: Provision for Doubtful Debts	-	-
(Unsecured, Considered Good)	3,27,42,208	3,27,42,208
Trade Receivables (less than six months)	11,91,68,125	28,87,71,724
ii) Security deposits (Maturing beyond 12 months)	9,66,57,215	6,23,04,575
iii) Prepaid Expenses	2,76,47,677	2,48,87,874
	27,62,15,225	40,87,06,381
	<b>27,62,15,225</b>	<b>40,87,06,381</b>
<b>NOTES - 14</b>		
<b>INVENTORIES</b>		
Raw Materials	10,98,13,528	2,87,22,345
Stores, Loose Tools And Spares	14,71,44,674	7,88,36,846
Semi Finished Goods and Work in Progress	11,33,51,487	3,90,49,331
Finished Goods	31,99,73,322	5,56,78,270
Erection Material at Site	86,81,54,359	52,50,12,600
Construction work in Progress	18,67,83,863	18,67,83,863
Scrap	20,32,272	9,52,572
	<b>1,74,72,53,504</b>	<b>91,50,35,827</b>
<b>NOTES - 15</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Debts over 6 months (realisable within 12 months)	1,04,25,22,378	49,97,07,505
Debts less than 6 months	4,33,18,79,648	3,06,27,27,739
	<b>5,37,44,02,026</b>	<b>3,56,24,35,244</b>
<b>NOTES - 16</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>i. Balances with Scheduled Banks:</b>		
a. In Current Accounts	10,08,11,106	10,51,38,383
b. In Fixed Deposit and Margin Accounts	61,13,61,467	73,19,41,023
c. In Cash Credit	-	56,06,718
d. In Dividend Account	2,79,674	2,06,597
	71,24,52,247	84,28,92,721
<b>ii. Cash on Hand</b>	2,90,57,897	2,41,73,224
(Includes Cheque in hand - ₹ 1,06,49,000/- (PY - ₹ 1,52,08,000/-))	<b>74,15,10,144</b>	<b>86,70,65,945</b>

# Fixed Deposit includes ₹ 60,79,18,324 towards Margin Money against non-fund based facilities from banks.

# Notes on Financial Statements

	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 17</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
i. Advance to Related Parties	2,05,89,041	40,51,481
ii. Advance Statutory Payments	28,86,33,975	16,12,89,974
iii. Advances to Employees	1,65,38,757	95,92,045
iv. Advances to Suppliers	4,78,77,41,117	1,49,68,61,654
	5,11,35,02,890	1,67,17,95,154
	<b>5,11,35,02,890</b>	<b>1,67,17,95,154</b>
<b>Notes:</b>		
<b>a) Loans and Advances</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:		
1. Private Companies	1,020	55,565
2. Subsidiary Company	2,05,89,041	40,51,481
<b>NOTE - 18</b>		
<b>OTHER CURRENT ASSETS</b>		
i. Security Deposits	7,47,99,517	3,47,95,865
ii. Prepaid Expenses and Others	10,67,79,002	11,44,92,866
	18,15,78,519	14,92,88,731
	<b>18,15,78,519</b>	<b>14,92,88,731</b>
	<b>For the Year Ended 31<sup>st</sup> March, 2013 ₹</b>	<b>For the Year Ended 31<sup>st</sup> March, 2012 ₹</b>
<b>NOTES - 19</b>		
<b>INCOME FROM OPERATIONS</b>		
a. Sale of Products	15,41,10,25,381	9,97,47,41,210
b. Sale of Services	5,28,18,45,858	2,14,02,69,011
c. Other Operating Revenue	2,58,39,793	1,26,41,443
	20,71,87,11,032	12,12,76,51,664
Less: Excise Duty	6,27,36,971	6,49,41,650
	20,65,59,74,061	12,06,27,10,014
	<b>20,65,59,74,061</b>	<b>12,06,27,10,014</b>
<b>NOTES - 20</b>		
<b>OTHER INCOME</b>		
Interest	5,15,10,689	4,29,63,748
Profit on sale of Fixed Asset	7,333	-
Miscellaneous Income	2,54,69,344	9,15,851
	7,69,87,366	4,38,79,599
	<b>7,69,87,366</b>	<b>4,38,79,599</b>

# Notes on Financial Statements

## NOTE - 21 MATERIAL CONSUMED

Particulars	Raw Material Opening Stock		Goods Purchased		Consumption		Raw Material Closing Stock	
	As at 1 <sup>st</sup> April, 2012 ₹	As at 1 <sup>st</sup> April, 2011 ₹	For the year ended on 31 <sup>st</sup> March, 2013	For the year ended on 31 <sup>st</sup> March, 2012 ₹	For the year ended on 31 <sup>st</sup> March, 2013 ₹	For the year ended on 31 <sup>st</sup> March, 2012 ₹	As at 31 <sup>st</sup> March, 2013 ₹	As at 31 <sup>st</sup> March, 2012 ₹
<b>RAW MATERIALS (A)</b>								
Steel	1,75,39,896	1,71,50,099	76,72,83,701	45,74,19,984	68,19,00,712	45,70,30,187	10,29,22,885	1,75,39,896
Aluminium	56,72,065	42,19,763	4,52,90,381	17,25,26,422	5,02,30,331	17,10,74,120	7,32,116	56,72,065
Zinc	38,82,493	12,30,068	6,39,61,949	5,28,96,796	6,23,42,555	5,02,44,372	55,01,887	38,82,493
Other Materials	16,27,891	3,90,211	1,91,31,846	56,80,216	2,01,03,098	44,42,535	6,56,640	16,27,891
<b>Total (A)</b>	<b>2,87,22,345</b>	<b>2,29,90,140</b>	<b>89,56,67,878</b>	<b>68,85,23,418</b>	<b>81,45,76,695</b>	<b>68,27,91,213</b>	<b>10,98,13,528</b>	<b>2,87,22,345</b>
<b>STORE, TOOLS AND SPARES (B)</b>								
Stores and Spares	7,88,36,846	3,03,61,000	16,33,76,818	9,99,21,709	9,50,68,990	5,14,45,863	14,71,44,674	7,88,36,846
<b>Total (B)</b>	<b>7,88,36,846</b>	<b>3,03,61,000</b>	<b>16,33,76,818</b>	<b>9,99,21,709</b>	<b>9,50,68,990</b>	<b>5,14,45,863</b>	<b>14,71,44,674</b>	<b>7,88,36,846</b>
<b>ERECTION MATERIALS (C)</b>								
Erection and Concreting Material	71,17,96,463	45,00,45,176	2,26,19,31,293	91,43,07,980	1,91,87,89,534	65,25,56,693	1,05,49,38,222	71,17,96,463
<b>Total (C)</b>	<b>71,17,96,463</b>	<b>45,00,45,176</b>	<b>2,26,19,31,293</b>	<b>91,43,07,980</b>	<b>1,91,87,89,534</b>	<b>65,25,56,693</b>	<b>1,05,49,38,222</b>	<b>71,17,96,463</b>
<b>OTHER MATERIALS (D)</b>								
Project Purchases	-	-	11,17,26,24,368	7,17,90,68,281	11,17,26,24,368	7,17,90,81,481	-	-
<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>11,17,26,24,368</b>	<b>7,17,90,68,281</b>	<b>11,17,26,24,368</b>	<b>7,17,90,81,481</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>81,93,55,654</b>	<b>50,33,96,316</b>	<b>14,49,36,00,357</b>	<b>8,88,18,21,388</b>	<b>14,00,10,59,588</b>	<b>8,56,58,75,250</b>	<b>1,31,18,96,424</b>	<b>81,93,55,654</b>

## NOTE - 21.1

### VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED

Particulars	For the year ended on 31 <sup>st</sup> March, 2013		For the year ended on 31 <sup>st</sup> March, 2012	
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
Imported	-	-	-	-
<b>INDIGENOUSLY OBTAINED:</b>				
Raw Materials	13,90,59,90,597	100%	8,51,44,29,387	100%
Stores, Spare Parts and Components	9,50,68,990	100%	5,14,45,863	100%
<b>Total</b>	<b>14,00,10,59,588</b>	<b>100%</b>	<b>8,56,58,75,250</b>	<b>100%</b>

# Notes on Financial Statements

	For the Year Ended 31 <sup>st</sup> March, 2013 ₹	For the Year Ended 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 21.2</b>		
<b>CIF VALUE OF IMPORTS</b>		
Capital Goods	30,08,28,371	18,46,19,614
<b>NOTE - 22</b>		
<b>CHANGES IN INVENTORIES</b>		
<b>OPENING STOCK:</b>		
Finished Goods	5,56,78,269	4,48,24,604
Semi Finished Goods and Work-in-Progress	3,90,49,331	6,20,38,998
Scrap Materials	9,52,572	7,03,069
	<u>9,56,80,172</u>	<u>10,75,66,671</u>
<b>CLOSING STOCK:</b>		
Finished Goods	31,99,73,322	5,56,78,269
Semi Finished Goods and Work-in-Progress	11,33,51,487	3,90,49,331
Scrap Materials	20,32,272	9,52,572
	<u>43,53,57,081</u>	<u>9,56,80,172</u>
<b>INCREASE (-)/DECREASE (+)</b>	<u>(33,96,76,909)</u>	<u>1,18,86,499</u>
<b>NOTE - 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
a. Salary, Wages and Bonus	53,15,52,087	36,63,03,294
b. Contribution to Provident and Other Funds	84,40,254	1,36,49,243
c. Workmen and Staff Welfare Expenses	1,17,14,066	91,71,553
d. Directors' Remuneration	1,91,93,750	1,74,68,050
e. Gratuity to Staff	32,26,837	2,81,789
	<u>57,41,26,993</u>	<u>40,68,73,929</u>

## NOTE - 23.1

As per Accounting standard 15 "Employee benefits", the disclosures as defined in the Accounting standard are given below:

### Defined Benefit Plan

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The Present Value of obligations is determined based on actuarial valuation using the Projected Unit Cost Method.

	2012-13	2011-12
<b>1. Change in Defined Benefit Obligation :</b>		
Defined Benefit Obligation at the beginning of the year	₹ 2,68,99,214	₹ 2,42,68,975
Interest Cost	₹ 21,51,937	₹ 19,41,518
Current Service Cost	₹ 22,42,408	₹ 15,43,705
Benefits Paid	₹ (36,61,352)	₹ (25,93,088)
Actuarial Gain / (Loss) on Obligation	₹ 14,68,387	₹ 17,38,104
Present Value of obligation as at the end of the year	₹ 2,91,00,594	₹ 2,68,99,214



# Notes on Financial Statements

	2012-13	2011-12
<b>2. Change in Fair Value of the Asset</b>		
Fair Value of the plan assets at the beginning of the year	₹ 2,55,36,969	₹ 2,58,20,367
Expected returns on plan assets	₹ 26,35,895	₹ 23,01,021
Contributions	₹ 59,14,343	₹ 8,669
Benefits paid	₹ (36,61,352)	₹ (25,93,088)
Actuarial Gain/(Loss) on plan assets	NIL	NIL
Fair Value of Plan assets at the end of the year	₹ 3,04,25,855	₹ 2,55,36,969
<b>3. Net Asset/(Liability) recognized in the Balance Sheet</b>		
Fair Value of the Plan Assets	₹ 3,04,25,855	₹ 2,55,36,969
Present Value of the obligation as at the end of the year	₹ 2,91,00,594	₹ 2,68,99,214
Amount recognized in Balance Sheet	₹ 13,25,261	₹ (13,62,245)
<b>4. Expenses recognized during the year</b>		
(under the head contribution to provident fund and other funds)		
Current Service Cost	₹ 22,42,408	₹ 15,43,705
Interest Cost	₹ 21,51,937	₹ 19,41,518
Expected Return from Plan Asset	₹ (26,35,895)	₹ (23,01,021)
Net Actuarial Gain/(Loss) recognized in the year	₹ 14,68,387	₹ 17,38,104
Expenses recognized in the statement of Profit and Loss	₹ 32,26,837	₹ 29,22,306

	For the Year Ended 31 <sup>st</sup> March, 2013 ₹	For the Year Ended 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 24</b>		
<b>FINANCE COSTS</b>		
Interest on Term Loan	8,51,41,515	1,69,01,777
Interest on Others	37,09,85,128	18,03,63,436
	<b>45,61,26,643</b>	<b>19,72,65,213</b>
Less: Adjustment for Interest Capitalized	-	61,85,349
	<b>45,61,26,643</b>	<b>19,10,79,864</b>
<b>NOTE - 25</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation for the Period	13,68,36,757	4,79,73,422
Less: Transfer to Revaluation Reserve	2,09,957	2,10,938
	<b>13,66,26,800</b>	<b>4,77,62,484</b>

# Notes on Financial Statements

	For the Year Ended 31 <sup>st</sup> March, 2013 ₹	For the Year Ended 31 <sup>st</sup> March, 2012 ₹
<b>NOTE - 26</b>		
<b>OTHER EXPENSES</b>		
Processing / Job Charges	2,24,19,54,231	86,16,77,296
Freight, Carriage & Transport	41,90,12,405	16,35,75,324
Power & Fuel	3,75,74,787	2,39,36,018
Rent	7,91,24,259	3,68,06,380
Insurance	1,08,73,469	83,22,221
<b>Repairs &amp; Renewals:</b>		
Plant and Machinery	12,74,677	21,46,223
Building	28,33,647	21,76,785
Others	60,87,299	32,99,216
Hire Charges	7,25,59,982	76,22,223
Travelling & Conveyance	3,16,56,084	3,18,14,893
<b>Auditors Remuneration:</b>		
Audit Fees	20,00,000	2,10,45,048
Internal Audit Fees	82,500	
Tax Audit	15,000	
Custom Duty	54,62,491	
Excise Duty	3,65,40,508	
Rates & Taxes	56,84,95,030	
Communication Expenses	1,20,45,256	
Bank Commission and Charges	80,22,49,400	
Miscellaneous Expenses (A)	19,68,68,987	
Translation Loss	54,21,366	
Loss on Contract Performance	9,12,927	
	<u>4,53,30,44,303</u>	<u>2,02,10,53,200</u>
<b>(A) Miscellaneous Expenses</b>		
Legal Charges, Listing & Filing Fees	36,80,410	28,31,817
Sales Promotion & Advertisement Expenses	38,36,772	84,33,610
Testing Charges	1,09,96,750	99,60,034
Computer/R&D Charges	15,47,078	13,02,128
Entertainment Expenses	31,39,146	16,75,247
General Charges	1,09,06,305	61,99,360
Office Up-Keep	49,92,252	32,76,156
Printing & Stationery	63,63,131	41,78,972
Subscription & Donation	21,91,456	2,06,119
Professional fees & Service Charges	12,38,62,870	3,83,25,487
Motor Car Expenses	2,83,253	2,73,421
Mobilization Expenses	1,87,39,929	1,37,81,704
Tender Fees	14,14,554	13,68,832
Others	42,58,310	17,31,729
Recruitment Expenses	6,56,770	2,92,740
	<u>19,68,68,987</u>	<u>9,38,37,357</u>
<b>NOTE 26.1</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
Tour Expenses	55,18,307	12,25,542
Others	16,55,97,056	-
	<u>17,11,15,363</u>	<u>12,25,542</u>

# Notes on Financial Statements

	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>NOTE - 27</b>		
<b>EARNINGS PER SHARE (EPS)</b>		
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹)	92,37,37,587	56,91,76,096
ii) Weighted Average number of equity shares used as denominator for calculating EPS	3,30,21,918	3,30,00,000
iii) Basic and Diluted Earnings per share (₹)	27.97	17.25
iv) Face Value per Equity Share (₹)	10.00	10.00
	<b>31<sup>st</sup> March, 2013 ₹ in Lacs</b>	<b>31<sup>st</sup> March, 2012 ₹ in Lacs</b>
<b>NOTE - 28</b>		
<b>EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of Exports	92.94	2,318.36
<b>NOTE - 29</b>		
<b>CONTINGENT LIABILITIES</b>		
i) Guarantees given by Company's Bankers on behalf of the Company.	50,184.99	47,025.46
ii) Claims against the Company not acknowledged as debts:		
a) Sales Tax	1,757.00	1,433.96
b) Service Tax	30.45	30.45
However as per management perception, the above liabilities will not devolve upon the company in future		
<b>NOTE - 30</b>		
<b>SEGMENT REPORTING AS PER AS - 17</b>		
<b>Segment Revenue:</b>		
Project Construction Division	2,00,202.14	1,12,971.70
Tower Manufacturing Division	4,553.93	4,662.43
Aluminium Extrusion, Forging & Conductor Division	937.42	2,952.06
Solar Power Division	866.25	40.91
<b>Segment Total</b>	<b>2,06,559.74</b>	<b>1,20,627.10</b>
<b>Segment Results:</b>		
Project Construction Division	19,240.62	10,830.02
Tower Manufacturing Division	54.71	150.52
Aluminium Extrusion, Forging & Conductor Division	54.58	328.40
Solar Power Division	525.04	(44.41)
<b>Segment Total</b>	<b>19,874.95</b>	<b>11,264.53</b>
Unallocated income over expenses	(1,597.15)	(733.14)
Profit Before Interest & Tax	18,277.80	10,531.38
Interest	4,561.26	1,910.80
Provision for Current Year Tax	4,479.16	2,933.69
<b>Profit after Current Year Tax</b>	<b>9,237.38</b>	<b>5,686.89</b>
Provision for Deferred Tax for earlier Years	-	(4.87)
<b>Profit After Tax</b>	<b>9,237.38</b>	<b>5,691.76</b>

# Notes on Financial Statements

## Segment Assets & Liabilities

	Assets		Liabilities	
	31 <sup>st</sup> March, 2013 ₹ in Lacs	31 <sup>st</sup> March, 2012 ₹ in Lacs	31 <sup>st</sup> March, 2013 ₹ in Lacs	31 <sup>st</sup> March, 2012 ₹ in Lacs
Project Construction Division	1,24,321.47	65,424.27	98,282.16	55,124.78
Tower Manufacturing Division	8,877.09	2,766.72	6,198.71	1,852.69
Aluminium Extrusion, Forging & Conductor Division	3,284.53	3,188.73	81.04	46.58
Solar Power Division	7,525.52	6,901.01	-	-
Unallocated Assets & Liabilities	12,249.75	12,155.84	107.97	11,862.71
<b>Segment Assets &amp; Liabilities:</b>	<b>1,56,258.36</b>	<b>90,436.57</b>	<b>1,04,669.88</b>	<b>68,886.76</b>

## NOTE - 31

### RELATED PARTY DISCLOSURE AS PER AS - 18

Name	Relation	Particulars	Transaction During the year	Balance as on 31 <sup>st</sup> March, 2013
EMC Hardware Ltd.	100% Subsidiary	Investment	NIL	15.00
		Advance	0.61	2.74
EMC Tower Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	(4.28)	(2.44)
EMC Solar Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	(4.33)	(2.49)
EMC Forging Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	(4.26)	(2.43)
EMC Infrastructure Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	(4.33)	(2.50)
EMC Logistic Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	(4.33)	(2.50)
EMC Overseas Ltd.	100% Subsidiary	Investment	145.00	150.00
		Advance	(136.25)	(129.39)
EMC Academy Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	24.06	46.41
Advanced Steel & Crane Inc.	100% Subsidiary	Investment	1,105.85	1,105.85
Technolines S.r.L.	70% Subsidiary	Investment	70.19	70.19
		Advance	156.74	156.74
Mr. Manoj Toshniwal	Director	Salary	65.76	NIL
Mr. Ramesh Chandra Bardia	Director	Salary	65.76	NIL
			<b>As at 31<sup>st</sup> March, 2013 ₹ in Lacs</b>	<b>As at 31<sup>st</sup> March, 2012 ₹ in Lacs</b>

## NOTE - 32

### FINANCIAL HEDGING INSTRUMENTS

- i) For hedging Currency Related Risks
- i) Forward Contracts - Outstanding Nominal Value

Figures for the previous year have been re-arranged and re-grouped wherever necessary.

As per our Report of even date attached

**For M/s SRB & Associates**

Chartered Accountants  
(Firm Regn No 310009E)

**Bisworanjan Sutar**  
(Partner)  
Membership No. 066708  
Kolkata, The 17<sup>th</sup> day of May, 2013

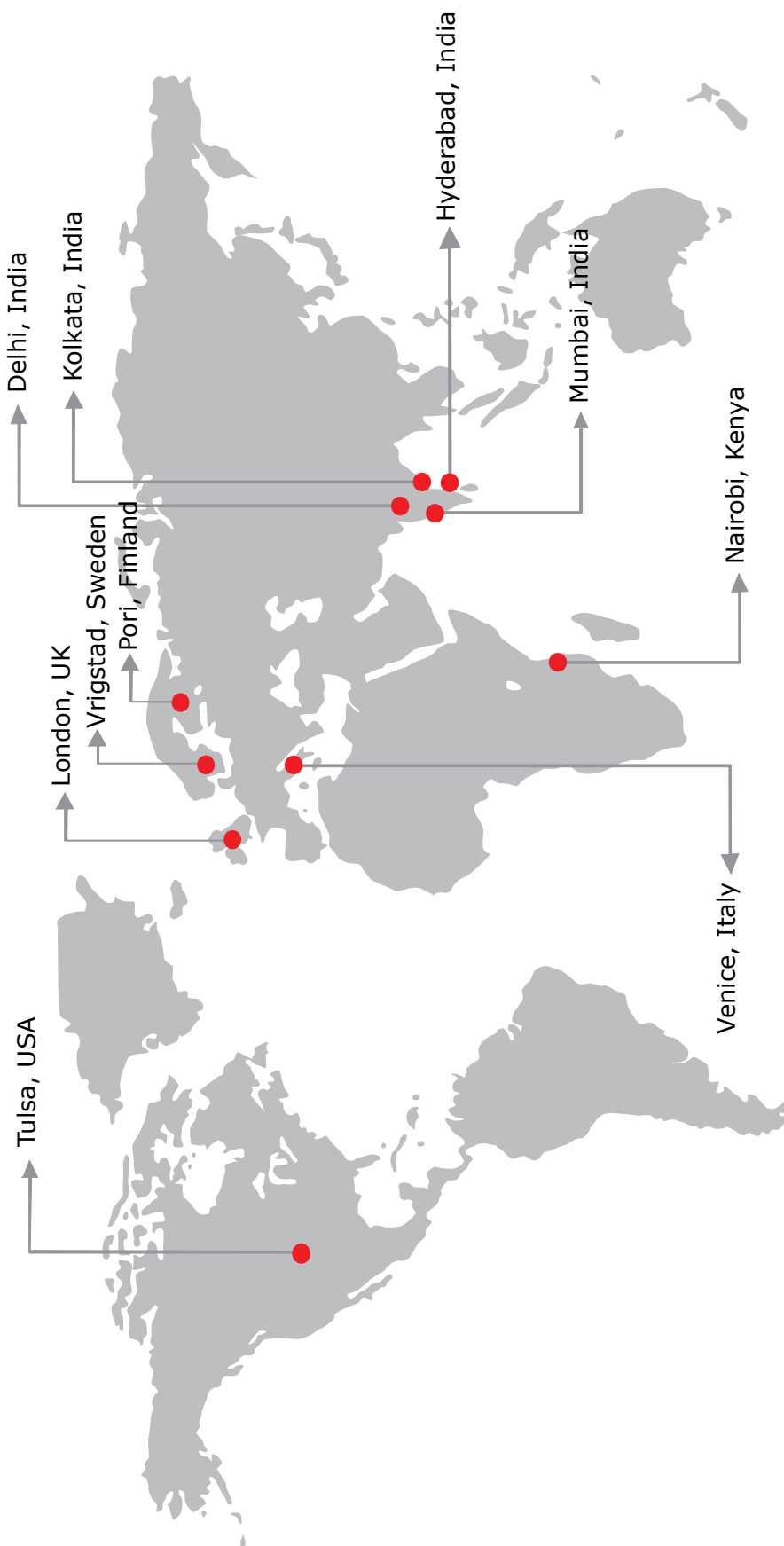
**For and on behalf of the Board**

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Chandra Sekhar Adhikary**  
Company Secretary

# Global Offices









**Power  
Transmission**



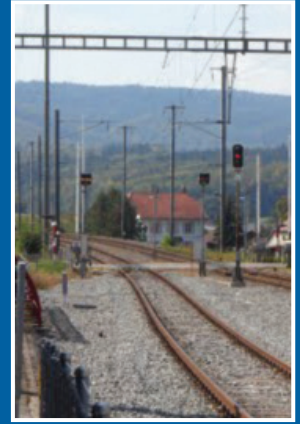
**Power  
Distribution**



**Industrial Power  
Distribution**



**Solar**



**Railways**

## EMC LIMITED

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