



# POWERING NATIONS

**EMC LIMITED**  
Annual Report 2015-16

# Corporate Information

## BOARD OF DIRECTORS

Mr. Manoj Toshniwal  
*Managing Director*

Mr. Ramesh Chandra Bardia  
*Joint Managing Director*

Mr. Biplab Shankar Bose  
*Director*

Mr. Suraj Mall Singhi  
*Director*

Mr. Manish Agarwal  
*Director*

Ms. Arundhuti Dhar  
*Woman Director*

## CHIEF FINANCIAL OFFICER

Mr. Arun Kumar Kedia

## COMPANY SECRETARY

Mr. Sumit Kumar Surana

## COST AUDITORS

N. Radhakrishnan & Co.  
*Cost Accountants*

## SECRETARIAL AUDITORS

A. K. Labh & Co.  
*Company Secretaries*

## BANKERS

State Bank of India  
Allahabad Bank  
Punjab National Bank  
UCO Bank  
Sber Bank  
State Bank of Patiala  
Syndicate Bank  
Corporation Bank  
Central Bank of India  
State Bank of Hyderabad  
The Karur Vysya Bank Limited  
The South Indian Bank Limited  
Lakshmi Vilas Bank Limited  
Vijaya Bank  
Canara Bank  
Bank of India  
Dena Bank  
IDBI Bank  
Bank of Baroda  
Union Bank of India  
Bank of Maharashtra

## REGISTERED OFFICE

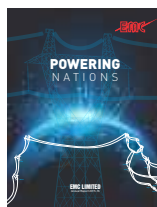
"Constantia Office Complex"  
(South Block), 8th Floor  
11, Dr. U. N. Brahmachari Street, Kolkata - 700 017  
Tel : 2289 3122-4, Fax : 2289 3121  
E-mail : [info@emcpower.com](mailto:info@emcpower.com)  
Website : [www.emcpower.com](http://www.emcpower.com)

## REGISTRAR & TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Tel : 2243 5809, 2243 5029, Fax : 2248 4787  
E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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This Annual Report is available online at [www.emcpower.com](http://www.emcpower.com)



# POWERING NATIONS

At EMC Limited, the growth strategy for our core businesses reflects three fundamental market trends – the global demand for renewables (particularly solar), the evolution of energy networks into a platform for distributed-energy solutions and customers' changing needs and requirements.

As an enterprise with a global reputation, we are focused on realizing our ambition of powering nations. In our pursuit of this vision, we aim to add value to all our businesses by delivering an outstanding performance in key areas such as innovation, customer excellence and sustainability.

Going forward, we believe that this focus will also deepen our relationships with customers, business partners and other key stakeholders, positioning our business on the path of sustainably profitable growth.

EMC Limited is one of India's fastest growing power EPC companies with a revenue CAGR of 36% over the past five years.

With niche turnkey engineering capabilities built over the decades paired with a global mindset, EMC has emerged as a world-class provider of end-to-end power system solutions globally.



### Vision

Setting the standard of excellence in modern power systems globally.



### Mission

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



### Legacy

Established in 1953, EMC has built nationally-important power and infrastructure assets and, in doing so, has engaged in extensive nation-building. Today, the Company has emerged as a global enterprise with a strong presence in power transmission, power distribution, balance-of-plant, railways and solar power sectors.



### Parentage

EMC is led by Mr. Manoj Toshniwal, a dynamic industry visionary with over 20 years of in-depth experience in the global power industry.



### Core advantages

At EMC, we are among the few to be qualified to execute 765 kV transmission line projects and among a handful to offer integrated turnkey solutions in the field of power transmission systems and associated sub-systems. We are now poised to enter the 1,200 kV segment. We are also qualified with robust demonstrated experience for up to 765 kV sub-stations and industrial power systems.





## First-mover's advantage!

- ✎ We are the first Company in India to obtain the ISO certification for our transmission lines business. We obtained our ISO-9001 certification in 1997 and are also accredited with ISO-14001 certification by KVQA.
- ✎ We are also accredited for occupational health and safety management system with OHSAS-18001 certification by KVQA.



## Recognition

Our proactive initiative to manage the business in a focused way has enabled us to face industry challenges and emerge stronger thereby enhancing stakeholders value over the long term. During the year 2015-16, the Company has been lauded for its excellence with **MAXIMUM VOLUME OF WORK AWARD** and **MAXIMUM CAPITALIZATION AWARD** by Power Grid.

## Global presence

We enjoy an entrenched presence in North America through our US-based subsidiary, Advanced Steel and Crane Inc. The company is engaged in manufacturing transmission, sub-station and other structures at its plant in Tulsa, Oklahoma.

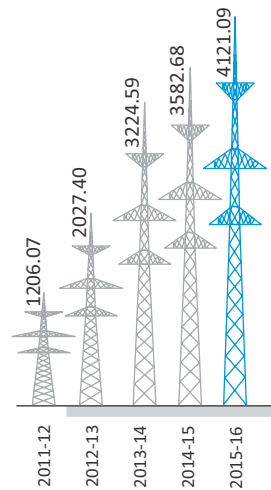
In Europe, our presence is emphasized through specialized manufacturing operations of roller presses, catering to clients in oil and gas, mining and cement. Moreover, our projects business is a specialist in executing EHV transmission line projects on turnkey basis.

To concentrate on the immense opportunities available in the railways business, our subsidiary, Quatro Rail Tech Solutions Ltd, participates in several global railway infrastructure projects.

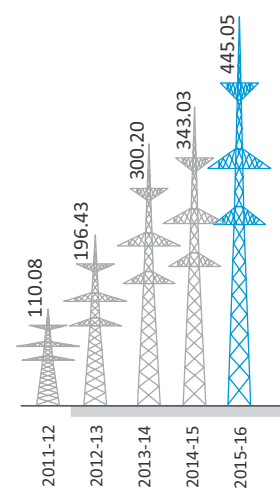


**Powering nations  
through  
our financial  
acumen.**

Revenue from Operations  
(₹crores)



EBIDTA  
(₹crores)



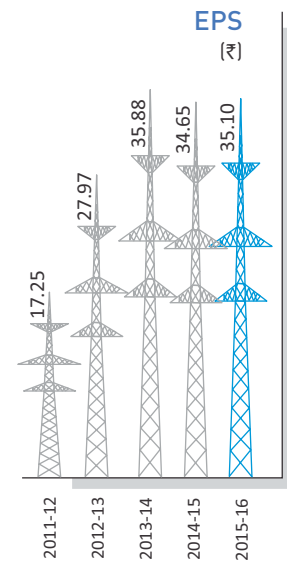
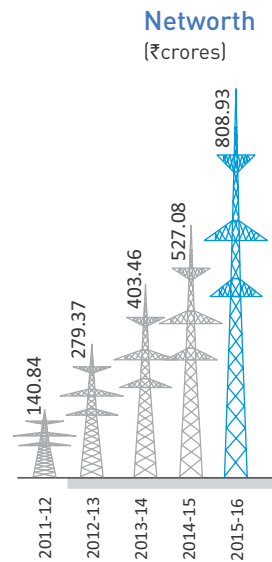
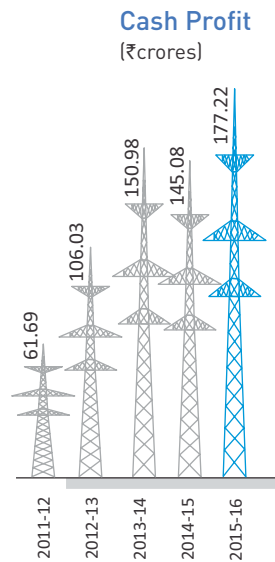
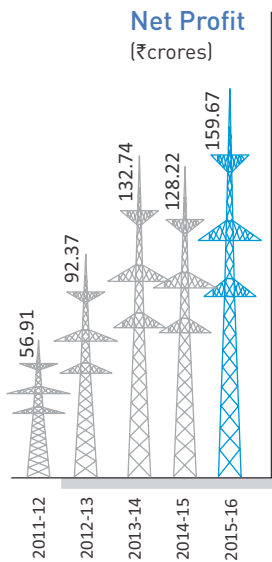
## Powering nations - An eventful year 2015-16

**October 27, 2015** Received order for supply, erection, testing and commissioning of Monga - Khulna 230 kV D/C transmission line on turnkey basis in Bangladesh from Power Grid Company, Bangladesh.

**October 7, 2015** ASC (subsidiary of EMC) received an award for 'Manufacturing leadership 2015' from Governor of the State of Oklahoma.

**October 15, 2015** Successfully commissioned 308-km of 765 kV D/C Dharamjaygarh-Jabalpur transmission line, one of the largest in the highest voltage segment, for PGCIL.

**June 30, 2015** Acquired majority stake in McNally Bharat Engineering Company Limited that possesses strong expertise in material handling, mechanical works and infrastructure.



**June 15, 2015** Achieved a new milestone by successfully commissioning 765/400 kV GIS sub-station at Vadodara for PGCIL.

**April 24, 2015** Received an award for 'Extraordinary achievement' towards the completion of transmission lines for the year 2014.

**June 3, 2015** Bagged orders for 500 kV transmission line from Ksani to Stepantsminda (100-km) in Georgia from JSC Georgia State Electrosystem.

**April 23, 2015** Received an appreciation letter from Railway Electrification, Danapur.

## Game Changer

**January 27, 2016** Achieved single largest international contract in JV of about ₹ 2,000 crores at Oman, Muscat for providing Front End Engineering Design (Feed), Basic and Detail Engineering, Project Management, Procurement, Construction, Supervision, Mechanical Commissioning of 30,000 Barrels per day and 1,000,000 TPA Bitumen Refinery.

## Our clientele

- ✦ Power Grid Corporation of India Limited
- ✦ Transmission Corporation of Andhra Pradesh
- ✦ West Bengal State Electricity Transmission Company Limited
- ✦ Maharashtra State Electricity Transmission Company Limited
- ✦ Jammu and Kashmir Power Development
- ✦ Central Organisation for Railway Electrification
- ✦ Maharashtra State Electricity Distribution Company Limited
- ✦ South Bihar Power Distribution Company Limited
- ✦ West Bengal State Electricity Distribution Company Limited
- ✦ Indian Iron and Steel Company
- ✦ NTPC Limited
- ✦ Delhi Metro Rail Corporation Limited
- ✦ Steel Authority of India Limited
- ✦ Fingrid Oyj, Finland
- ✦ Svenska Kraftnat, Sweden
- ✦ Terna S.p.A., Italy
- ✦ Rural Electrification Authority, Kenya

# Powering nations through our competitive strengths which drives our quest for electrifying the future and enabling newer possibilities.

At EMC, our goal is to offer reliable, high-quality and environment-friendly energy supply infrastructure and solutions that improve the well-being of people, drive economic and social development of the communities in which we operate and create sustainable value for our shareholders, customers, employees and suppliers.

In preparation of the energy transition to clean and efficient technologies to meet global commitments on reducing emissions on the one hand and to capitalise on strong growth in world energy demand (30% increase by 2040, according to forecasts by the International Energy Agency) on the other, we are committed to find sustainable solutions that require greater simultaneous electrification and de-carbonisation of the global economy.

The achievement of these goals is closely linked to our ability to leverage our inherent competitive advantages.

Our focus on technological innovation will continue to be a priority in order to maintain our lead in the development of new products, services and business models that transform the industry. In 2015-16, we have extensively focused towards clean energy, solar power, smart grids, digitization and new product development specifically relating to the railways, which will allow us to continue meeting the energy and efficiency needs of our customers, offering them new products and services to improve their profitability and well-being.

This emphasis on innovation pushes us to continue strengthening the ongoing high-quality training of our workforce. In the coming years, we will continue with the 'Electricity for all' programme to keep bringing electric power to people without it in emerging and developing countries. As our focus on markets abroad have increased, our non-India revenues have also steadily grown from strength to strength.





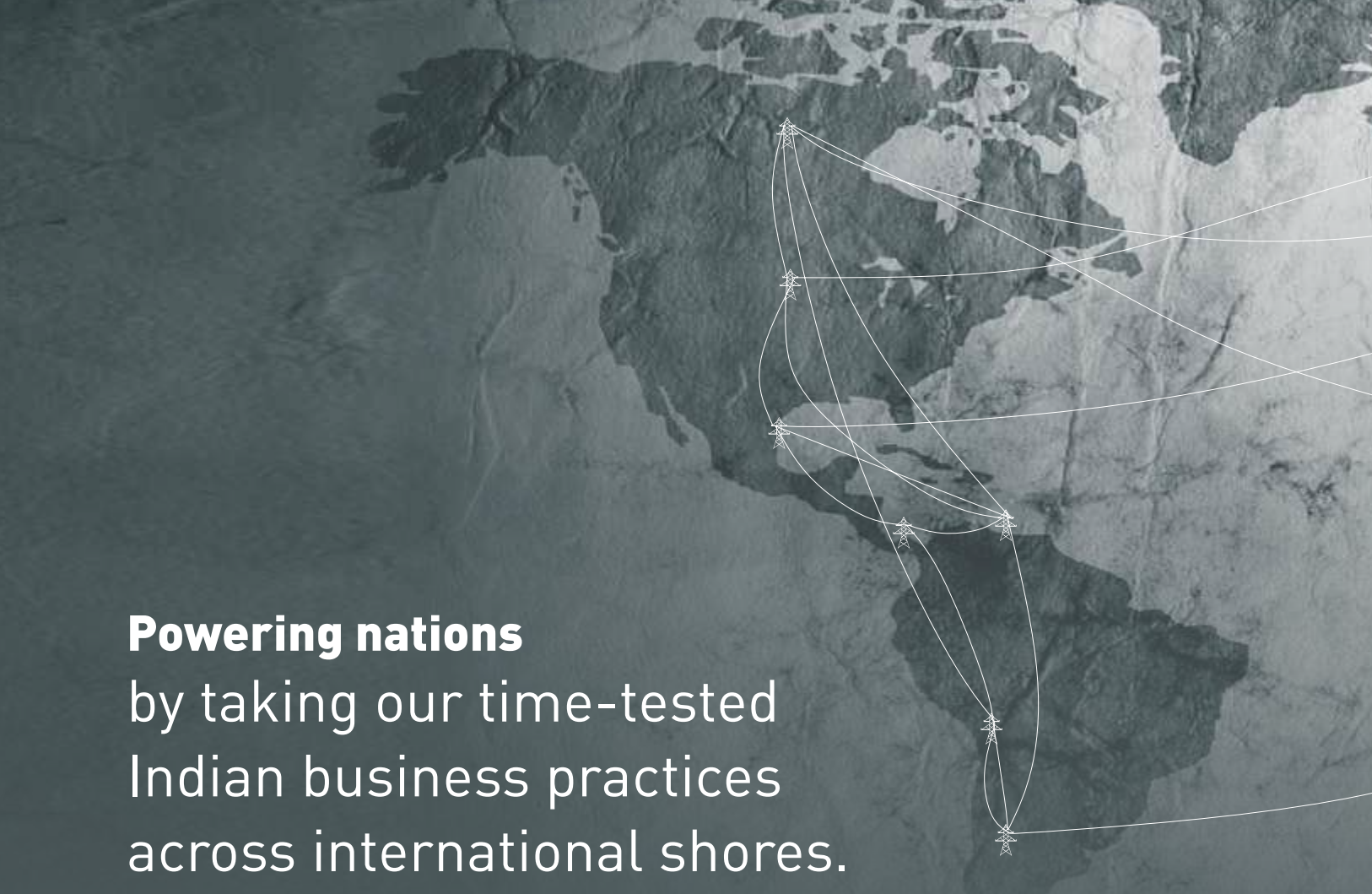
### Did you know?

As many as 1.2 billion people, or 17% of the global population, currently lack access to electricity and 2.7 billion people, or 38% of the global population, put their health at risk by resorting to the traditional use of solid biomass for cooking. An investment of around USD 7 trillion will be needed in OECD countries (USD 13 trillion in non-OECD countries) through 2040 to satisfy the growing demand for electricity and to meet the goals of global energy policies.


*Source: World Energy Outlook, 2015 – IEA*

Going into the future, leveraging our core engineering and construction capabilities, our integrated end-to-end offerings, our focus on customer excellence through on-schedule and cost-effective completion, our robust multi-year client relationships and our focus on international diversification will not only enable us to augment our quality of earnings but also increasingly de-risk our income profile while opening-up new revenue streams.





**Powering nations**  
by taking our time-tested  
Indian business practices  
across international shores.



At EMC, we are committed to bring clean and competitive energy to light some of the darkest areas of the globe.

One of our biggest achievements of 2015-16 comprised the bagging of our single-largest order ever worth ₹ 2,048 crores from Sohar Bitumen LLC in Oman, jointly with McNally Bharat, in October 2015. The successful award of this project, a bitumen refinery, despite stiff global competition reflects the success of our joint venture and paves the way for us bidding for and bagging other such large and complex projects not only in Oman but elsewhere in the world too. The execution timeline for this value-accretive project is 24 months and we are confident of completion within the specified timeframe.

Some of the other prestigious international projects bagged during the year include an order for 500 kV single-circuit transmission line of 97 km in Georgia, USA, worth ₹ 157 crores and a 230 kV double-circuit transmission line of 23-km in Bangladesh, worth ₹ 97 crores. These projects will add attractively to our EBIDTA margins, going forward.

With a view to service our international customer requirements with speed and surety, we have created





dedicated resources and infrastructure, housed in our subsidiaries. Some of these include:

**Advance Steel and Crane Inc., USA (100% ownership):** Engaged in the manufacture of sub-station structures in tubular and lattice, small transmission structures and distribution poles, primarily for the public utility industry.

**Tecnolines S.R.L., Italy (90% ownership):** Engaged in the production of helicopter-based tower erection and stringing with robust demonstrated experience.

**CE Maschinenbau GMBH (90% ownership):** Engaged in the manufacture of components and complete machines for engineering and plant construction for the cement industry.

**Quarto Rail Tech Solutions Limited, India (60% ownership):** Provides consultancy services to various national and international companies in the fields of telecommunication, electrification and signalling system solutions for mainline and metro-line and is also engaged in the production, assembly and system integration in the areas of safety and security.

**EMC Tower Limited, India (100% ownership):** This subsidiary is engaged in the business of fabricators, galvanizers, hot dip galvanizers, processing of ferrous and non-ferrous metal including iron and steel and manufacture a wide range of transmission line towers and structures.

**EMC Solar Limited, India (100% ownership):** Established to conduct the business of generation, co-generation, distribution, transmission and sale of all forms of energy/power, including setting-up of facilities to generate, acquire, purchase, develop and accumulate power by wind, solar, hydro, thermal, bio-mass, coal, gas, geo-thermal or any other conventional and/or non-conventional sources and to transmit, distribute, sell and supply such power for captive consumption and other activities.

# Powering nations through a diversified and sustainable business model.

At EMC, we are focusing on an exciting range of both established as well as sunrise businesses that are typically characterised by huge scope, continual opportunity and relatively strong entry barriers. Even as we continually evaluate new opportunities for growth, our railways and solar businesses are our current focus areas.

## Railways

EMC participates in railway infrastructure projects to capitalize on the immense opportunities available in the Indian Railways, one of the world's largest and oldest government-owned institutions. Interestingly, India possesses the fourth largest railway network in the world.

We operate in the railways business through our subsidiary, Quatro Rail Tech Solutions. The company offers best-in-class design, installation, testing and commissioning of electronic signaling, telecommunication and OHE and TSS for railway networks, both mainline and mass transit systems. The company's founders and senior management team possess over 100 years of combined experience and represent a rare pool of talent and

expertise in railway signalling and communications domain with superlative strategic project-specific tie-ups with reputed companies in the business.

Established in 2012, Quatro has established itself today as a renowned player in the railways sector within a short span and is embarking on an expansion of its operations both in India and overseas.

Some of the company's key projects include the following:

- Supply, installation, testing and commissioning of indoor systems for four stations - Surajpur Road, Pasla, Sonpur and Ramanujnagar for signaling and telecommunication works of new BG line from Surajpur Road to Ramanujnagar in South East Central Railway in the state of Chhattisgarh
- Design, supply, erection, testing and commissioning of 25 kV, 50Hz, single phase overhead equipment including TSS, SCADA and electric general works on turnkey basis in Vizianagaram - Singapur Road section





## At EMC, our environment-friendly plant in Naini provides sustainable and renewable energy that also earns carbon credits.

- Design, supply, erection, testing and commissioning of 25 kV, 50 Hz, single phase overhead equipment including TSS, SCADA and electric general works on turnkey basis in Kumedpur – Old Malda & Old Malda - Singhabad section
- Design, supply, erection, testing and commissioning of 25 kV, 50 Hz, single phase overhead equipment including TSS, SCADA and electric general works on turnkey basis in Garwa Road-Chopan-Singarauli /Mahadia and Karalia–Shaktinagar section

### Solar power

At EMC, we are committed to clean and green energy. Towards this extent, we successfully commissioned a 5 MW solar plant at Naini, Allahabad, on 4 March 2012 under the Government of India's Jawaharlal Nehru National Solar Mission (JNNSM).

This asset is the first-of-its-kind in the state of Uttar Pradesh. We signed the power purchase agreement (PPA) with NTPC Vidyut Vyapar Nigam, ensuring continuous sale for the next 25 years.

### Some interesting facts on solar energy!

Almost 170,000 billion watts from the sun hit the Earth every moment, much more than the planet's consumption.

Solar energy is abundant and, unlike most energy sources, completely free.

It takes less than 10 minutes for light to travel more than 90 million miles from the sun to the Earth.

Solar energy is environmental friendly as it has zero emissions while generating electricity or heat.

India is endowed with vast solar energy potential. About 5,000 trillion kWh per year of energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day.



# Powering nations through empowering our human resource and energising our social responsibility practices.

## Our human capital

An organization's business strategy and its products and services can be copied. What cannot be easily copied however are an organization's people, its culture and its competencies. The successful delivery of any business strategy depends on an organization having available highly qualified and motivated employees as well as a strong and diverse talent pipeline. Great companies execute their people strategy with the same energy, vivacity and determination they apply to the business strategy.

At EMC, the primary objective of our human capital and people strategy is to enhance our people's performance and leadership to power business success. Our strategy, which sets the frame for our HR work programs of the next three to five years, has five key success factors:

- Preparing our people for the future.
- Providing opportunities and recognizing performance.
- Open thinking.
- Multi-organisational engagement.
- Zero complacency.

Our people strategy is delivered by HR staff at all our units and in all our regions. To support it through their interactions with all employees, our HR staff is committed to being customer-oriented, continually improving HR services, working in partnership with employee representatives and keeping things simple.

One of the other facets of our human capital is that it fosters a diverse team of people who differ by nationality, age, gender, religion and/or cultural and social background. Diversity is a key success factor. Numerous studies have indicated that heterogeneous teams outperform homogenous ones. Diversity is equally crucial in view of demographic trends. Going forward, only those companies that embrace diversity will be able to remain attractive employers and be less affected by the shortage of skilled workers. It is our strong belief that our Company is one of them.

As on 31st March 2016, EMC had around 1,300 employees worldwide in its payroll.



## Corporate sustainability

Our many stakeholders—customers and suppliers, policymakers and government agencies, employees and trade unions, non-governmental organizations and regional interest groups, equity analysts and investors—have high expectations from us and our industry. Foremost, they expect us to expand our sustainability initiatives and develop new and innovative customer solutions.

As a large number of countries the world over transition to a low-carbon future, this trend offers us many opportunities and we aim to seize them, while at the same time proactively manage the attendant risks. We monitor our progress by means of a sustainability work program, which is divided into a number of focus areas. Our commitment to transparency includes subjecting our sustainability performance to independent, detailed assessments by third-party agencies. Our compliance with laws and regulations and with our own internal policies has a particularly significant impact on our reputation as a responsible company. We expect the same degree of compliance from our suppliers.

### EMC Academy

The EMC Academy is our endeavour to establish a unique institution that fosters professional development of engineers, supervisors and others to meet the growing need of trained manpower in the power sector.

The Academy imparts training in different disciplines like environment management, civil design and quality control, power sector in transmission sub-station, planning of power systems, quality management, safety management and behavioural management, extending to students, industries and Government agencies. Apart from the open programmes, the Academy also aims to discuss and interact with industry and educational institutions to develop customized in-house programmes to meet the specific requirements of the industry and educational institutions.

Currently, the Academy has four classrooms which are well-equipped with all modern audio-visual aids like LCD projectors, software, hardware and online browsing, among others. EMC Academy is situated in the heart of Kolkata and easily accessible.

### Environmental preservation

The Company is committed towards clean and green energy and its 5 MW solar plant at Naini, Allahabad, in March 2012 under the Government of India's Jawaharlal Nehru National Solar Mission is the first solar plant of its kind in Uttar Pradesh. In order to limit the environmental impact of our activities, we continually strive to raise safety standards and also to meet our commitment to environmental preservation and sustenance we plant trees and engage in landscaping in and around our factories and offices.



## Managing Director's perspective



Manoj Toshniwal, Managing Director, EMC LIMITED



## Dear shareholders,

I have always believed that companies that successfully address and alleviate some of the most genuine pressures of a society and a nation with futuristic products and solutions create enduring higher order value. The era that we live in today is a testament of this conviction.

Today, the world's largest car travel company does not own a single vehicle. A company that provides tourists lodging across thousands of cities the world over does not own a single cubic area of space. A company with billions of dollars of retail sales does not own a single retail shop. All these companies are built on the spirit of enterprise, the digitisation and globalisation waves and, of course, the indisputable need to solve a real-world problem.

The other megatrend that is most visible today is that more than ever before, companies across the globe are recognising the need to develop a business model that has embedded sustainability at the heart of its operations. Notwithstanding the slowdown, the rise of the emerging countries is undisputed as they have been the flag-bearers of global growth. With stellar GDP growth rates, India particularly, has outpaced Japan to become the world's third largest economy in terms of purchasing power parity. With a typically large population pool, attractive demographics and rising aspirations, India is truly scripting its own story of evolution and progress.

### EMC – the big picture

At EMC, we have always looked at the bigger picture with the singular objective of serving the interests of the nation.

We find extraordinary inspiration in the Indian Government's clarion call of '24x7 Power for all' and the country's quest to bring this important lifeline to every home is what drives us to perform better every single day. Power is not only an essential ingredient for everyday life but is also the backbone of some of the Centre's ambitious initiatives such as 'Make in India' and 'Digital India' platforms. As an enterprise that is deeply rooted in India's soil, we are committed to bring the full value of our organisation in transforming the country's energy and infrastructure sectors and also apply our rich expertise to some of the world's attractively growing markets, truly leveraging our branding of 'made in India, sold around the world'.

It is widely believed among most thought leaders and industry bodies that power and infrastructure are the two key sectors that are essential to sustain the country's economic growth. In fact, India's Hon'ble Finance Minister has often mentioned that these are essential

components to grow India's GDP to 8% in the near future. It is this recognition that has brought the Government to usher some landmark structural reforms in both these sectors that include quicker arbitration settlement, new and risk-efficient public-private partnership models, financial restructuring of state electricity boards (SEBs), potential implementation of the game-changing GST that will usher a unified taxation regime across the country and a renewed focus on power evacuation through growing investments in electricity transmission and distribution.

### India – the land of opportunity

In a post-Brexit world, India is a stable ship with steady economic growth. The country recorded a GDP growth of 7.6% in 2015-16, which is the fastest-growing among large nations of the world. Against expectations, India has overtaken China and the World Economic Outlook of the International Monetary Fund portrays India and the US as two pillars holding up a wobbling global economy.

Today, India is often referred to as a potential superpower by a wide-range of international journals and the country is widely recognised as the only Asian power that can check China in the 21st century. In 1991, India was a member of the G77 group of developing countries. By 2016, the nation is a proud member of the G20, an agglomeration of the most powerful countries in the world.

Under a future-facing leadership helmed by a dynamic Prime Minister Shri Narendra Modi, India is formulating a new architecture of policy-making that is focused on anticipating challenges and proactively exploring solutions and remedies. It is in this essence that the Planning Commission has been replaced by a NITI Aayog, a forum that has been tasked with developing a 15-year vision document that would blueprint the foundation for the next century to take the country forward. It has also been mandated with the task of engaging collaboratively with states so that solutions are found in the true spirit of cooperative federalism.

With a new energy that has recharged the country's ambition to achieve its true potential as an economic powerhouse, there have been several achievements in the realms of a large number of sectors. Take roads for instance. As per the NITI Aayog, of the total number of stuck projects of ₹ 3.8 lakh crores, the government has already unblocked ₹ 3.5 lakh crores worth of projects and, consequently, road construction has picked up pace from averaging 8.5-km a day during the last two years to 16.5-km in 2015-16. Under railways, the average rate of track

“We bagged our single-largest international contract in JV to the tune of about ₹ 2,000 crores in Oman, Muscat, a reflection of our growing capabilities and recognition in markets abroad.”



expansion has been scaled to 7-km per day during 2015-16 from 4.3-km during the past several years and with the gravitational shift to high-speed trains and the expected merger of the Railway Budget with the Union Budget from 2017 onwards, one can expect significant structural upcoming opportunities for this national institution that has among the world's largest railway networks. Under solar power, during 2015-16, 1.5 GW was added to enhance the capacity to 3.7 GW as on 31 March 2016. As many as 32 solar parks of 20 GW have been approved in 20 states with the expected operationalisation by 2019-20.

#### Brightening horizons – a large and unprecedented power sector opportunity

The Indian government has ushered in a slew of reforms to revive the country's power sector in addition to launching several schemes and programmes that aim to debottleneck the sector and unleash its true growth potential.

The Centre's imminent launch of a 20-year plan for the transmission sector has been scripted such that it keeps pace with the growth in power generation in the country. The expected transmission network by the end of the 12th Plan in 2017 is projected at 360,000 ckm with around 113 GW of generation capacity likely to be added in the remaining period of the 12th Plan. A projected investment of USD 50 bn is anticipated as India's spending in its T&D sector in the 12th Plan. Moreover, the 'Green Corridors' project, which entails an alternate transmission network for renewable energy is being revised, keeping up with the plan to augment renewable energy capacity to 175,000 MW.

Per capita energy consumption in India is about 1,000 kWh which pales in comparison to some of the other countries and this itself represents a strong case for strengthening the power sector for a country that is among the fastest-growing nations in the world. Besides, the present investment in power generation-to-transmission ratio stands at about 1:0.5, which should be ideally 1:1 and it is only a matter of time that T&D sector investments match that of power generation capacity. With the government launching the Integrated Power Development Scheme (IPDS) with the intent of arresting future distribution losses, several initiatives including underground cabling and IT-enabled energy accounting are envisaged. Besides, the RGGVY (Rajiv Gandhi Gram Vidyutikaran Yojana) has envisioned extensive rural electrification and UDAY (Ujwal Discom Assurance Yojana) seeks to reform debt-laden SEBs to make them more credible buyers of electricity.

Shockingly, according to the latest data, 3.1 billion units of electricity were lost on power trading platforms due to transmission congestion, in 2014-15, resulting in sharp spikes in power deficit. Clearly therefore, the need of the hour is boosting of transmission capacity and this clearly is the next frontier for growth in the country's power sector.

#### Global transmission sector opportunity

According to the World Energy Outlook 2014 and World Bank estimates, the T&D capex needs for FY2014-35 for the Middle East stands at USD 225 billion, for Africa at USD 421 billion, for the US (Americas and Brazil included) at USD 2,114 billion and for Asia at a massive USD 3,128 billion, driven by interconnection and transmission for new generation capacities, replacement demand and rising electricity demand (IEA estimate of 2.7% CAGR over 2009-35), among others. Being a strong player with pre-established credentials in some of these markets, at EMC, we expect to capitalise on these opportunities by growing our international order book.

#### EMC – at the cusp of new beginnings

With a rich track record of having successfully completed several large & prestigious transmission line projects in India and abroad, world-class turnkey engineering capabilities, strong intellectual pool, deep commitment to quality and customer excellence and healthy Balance Sheet, we are at the cusp of new beginnings to become stronger and better poised to capitalise on the imminent opportunities thrown up by the manufacturing, energy and railways sectors.

Our proposed merger with the large & diversified BM Khaitan-controlled Williamson Magor Group's engineering enterprise Kilburn Engineering, is being structured to create a large and dynamic engineering joint venture with unparalleled synergies that will not only strengthen the overall bouquet of offerings, thereby reinforcing customer value, but also drive down costs through common capabilities, thereby enriching margins and profitability. Post all the regulatory approvals, the merged entity will emerge as a holistic solutions provider for power plants as well as power transmission units, material handling industries and the specialised drying equipment sector.

#### 2015-16 – a year of progress

Established in 1953, EMC is one of the oldest and few turnkey EPC solutions providers for overhead transmission lines up to 765 kV and extra-high voltage transmission lines with readiness in 1,200 kV transmission line projects. We possess demonstrated capabilities in supply contracts as well as construction activities, providing our clients with end-to-end transmission line solutions. We also enjoy world-class expertise in BoP

(balance-of-plant) for both EHV sub-station and plant electrification for integrated steel and power plants, manufacturing core railway infrastructure products and commissioning solar power projects.

For our core business of power transmission that contributes substantially to our annual revenues, we reported some major developments during the year under review. We bagged our single-largest international contract to the tune of about ₹ 2,000 crores in Oman, Muscat, a reflection of our growing capabilities and recognition in markets abroad. We also bagged projects in Georgia, US and Bangladesh worth ₹ 157 crores and ₹ 97 crores, respectively.

In India, we bagged prominent sub-station projects in the state of Sikkim. We are also close to successfully completing and handing-over India's largest 765 kV sub-station at Vemagiri, Andhra Pradesh. In yet another prestigious acknowledgement of our capabilities, we received an award from PGCIL for 'Maximum capitalization and maximum volume of work in a year' for 2015.

Overall, we recorded an impressive growth of 81.62% in our order book which scaled from ₹ 2,311.27 crores as on 31 March 2015 to ₹ 4,197.63 crores as on 31 March 2016.

#### Outlook – the path ahead

As an enterprise that is embedded in the country's energy sector, we expect to generate sustainable growth, thereby focusing on generating consistent value for our shareowners and other stakeholders who work with us and depend upon us.

One of the key trends shaping our business today is that although awarded projects are becoming larger in ticket size, they are also becoming more difficult to implement, being located in challenging geographies and topographies and those regions that have a history of geo-political strife. Companies that are yet to build capabilities to work in these conditions will pave the way for larger and more respected players like us who have demonstrated the successful execution of such projects. In the current year (2016-17), we expect to finalise the scheme of amalgamation with Kilburn Engineering and are pleased to state that we have already received an approval for the same from the Competition Commission of India.

On the overall, we expect to focus on bagging a larger number of foreign contracts to diversify our order book and risk profile and expect to generate a 10% growth in our topline in 2016-17.

With my very best regards,

**Manoj Toshniwal**

*Managing Director*

# Board & Management Reports

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## GLOBAL ECONOMY

According to the World Economic Outlook Update 2016, the global economy declined to 3.1% in 2015 from 3.4% in 2014. This deceleration was caused primarily by a decline in global oil prices, below-expectation growth in the Chinese economy, volatility in the commodity and financial markets and declining global investments caused by tapering demand. Though Britain's exit from the European Union grouping (Brexit) is expected to further impact the world economy, several bright spots indicate that the global economy will grow to 3.4% in 2016 and 3.6% in 2017.

A number of large global economies are already showing signs of improvement, thanks to the strengthening of the labour and housing markets and brightening investor sentiment. According to the same World Economic update, across advanced economies, economic growth is expected to increase to a modest 2.1% in 2016 and remain stable in 2017. In emerging economies, the growth is expected to augment from 4.3% in 2016 to 4.7% in 2017, driven by growth in the Indian and Chinese economies.

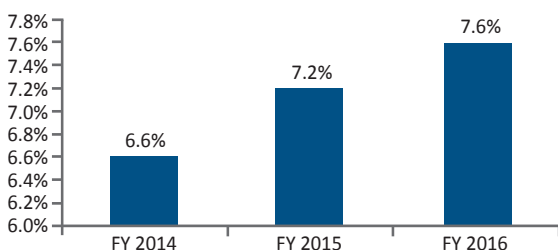
## INDIAN ECONOMY

On the back of prudent fiscal policies and structural reforms initiated across several sectors, the Indian economy has been able to withstand the global meltdown. Key and timely policy reforms have led to active inflation-targeting in India; besides, the lowering of fiscal and current account deficits has also contributed to economic stability. In fact, the Government has been able to achieve its fiscal deficit target of 3.9% with the WPI (Wholesale Price Index) remaining in the negative territory for 2015-16.

A number of positive developments have led to the improvement of the Indian economy with GDP scaling from 7.2% in 2014-15 to 7.6% in 2015-16 (CSO). The fall in global oil prices has given the much need impetus to the growth aspirations of the country. This has led to savings of subsidy expenditure and has presented an opportunity to increase excise duty on petrol and diesel. Although a decline in global demand impacted Indian exports to some extent, the manufacturing and industrial sectors performed well. It must be mentioned that the new Foreign Trade Policy (2015-20) aims to export goods and services to the tune of USD 900 billion by 2020.

At par monsoons for the current fiscal year has reversed the past two consecutive years of drought and given the much-needed boost to the agriculture sector, leading to rural prosperity. Besides, the impact of the Seventh Pay Commission will drive demand across a number of sectors and the economy is expected to register a growth of 7.75-8% in 2016-17 (CSO estimates).

### India's GDP growth – accelerating momentum



Source: CSO

The Central Government's focus on growing infrastructure investments, formulating appealing public-private partnership models like the hybrid annuity model (HAM) in road construction, unlocking liquidity through speedy arbitration settlement for infrastructure projects and structuring growth-oriented initiatives like the Make in India, Start-up India, Smart Cities, Digital India, Skill India and even the Swachh Bharat Abhiyan, have together created a conducive platform for sustainable economic and social growth for years to come.

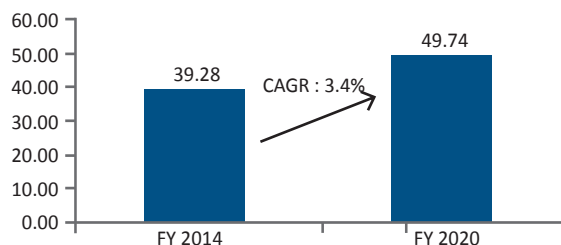
With a view to augment financial resources for the infrastructure sector, the Government plans to fortify a funding pipeline through the Rs. 40,000 crores National Investment and Infrastructure Fund (NIIF), which will give a fresh boost to the sector. This fund will have different sectoral heads and half the amount will come from the Government, thus mitigating risks to some extent. Moreover, the NIIF will commence operations by providing sectorally-dedicated funds aimed at clean energy and highways.

The potential implementation of the Goods and Services Tax (GST) in 2017 will also boost trade, creating a single unified taxable market throughout the country. This will streamline trade and commerce, unlock investments and promote structural growth. In fact, the implementation of GST is perceived to add as much as 2% to the country's GDP.

## GLOBAL POWER SECTOR – TRANSMISSION AND DISTRIBUTION

Globally, investments in the transmission and distribution industry are focused towards construction of new transmission lines, establishment of new lines to especially support large industrial facilities and complexes and modernisation and renewal of legacy infrastructure. On the other hand, transmission expansion in developing countries is mainly driven by making electricity accessible. Developing economies of Asia, Africa and Latin America are expected to drive the power sector's growth with anticipated investment estimates of over USD 1,070 billion. As much as 1,658 GW in generation capacity has been planned or is expected to be added, requiring 1.04 million km of transmission lines that are expected to be built by 2020.

### Global transmission line length (over 100 kV; lac km)



Source: Global Electricity Transmission Report 2014-20

Cumulative investment needs in power transmission and distribution during 2015-40 (USD billion)

Region / country	2015-25	2026-40	Total 2015-40
Americas	447	645	1,092
Europe	424	469	893
East Europe / Eurasia	195	274	469
Asia	1,514	2,269	3,783
The Middle East	117	167	284
Africa	241	583	824
Latin America	164	300	494
<b>World total</b>	<b>3,366</b>	<b>4,996</b>	<b>8,362</b>
<b>India</b>	<b>301</b>	<b>544</b>	<b>845</b>

Source: International Energy Outlook

#### EUROPE – BRIEF INDUSTRY OVERVIEW

Across Europe, around €140 billion is required for the development of high voltage transmission systems, storage and smart grid applications, by 2020. Despite the negativity in the Euro-zone's investment climate, especially post Britain's historic exit in early 2016, many countries still have plans to lay new lines or upgrade existing infrastructure. With growing environmental recognition, most of the developed countries of Europe are looking to shift from coal and nuclear power to cleaner and renewable energy, which would necessitate the requirement for new lines to evacuate power to consumers.

#### NORTH AMERICA – BRIEF INDUSTRY OVERVIEW

According to an Elecrama report (2016), by 2040, the US electricity demand is expected to rise by 24% from 2012 and investment in renewable energy projects has grown at a CAGR of 37% over the past six years to cater to the growth in electricity demand. The report indicates that as much as 70% of transformers and transmission lines are over 25 years old and 60% of distribution poles are between 30-50 years old, relative to their useful life of 20 years and 50 years, respectively. The infrastructure investment is forecast to be higher than USD 49 billion in 2016 towards replacement, upgradation, modernisation and expansion. As in Europe, North America is also witnessing increasing use of renewable energy in a bid to switch to cleaner fuel sources. Besides, shift to renewable energy and the increasing importance of shale gas as an emerging energy alternative will demand an increase in new lines from new power plants. Reports indicate that about USD 160 billion worth of investments are expected in the North American power T&D space.

#### SOUTH AMERICA – BRIEF INDUSTRY OVERVIEW

The region's electricity consumption is expected to grow at 2.9% per annum to about 2,500 TWh by 2035, almost double from current levels. It must be indicated that Brazil's electricity market is the largest in South America. As the majority of power generation in the country is hydropower-based, there is need for new power plants of various fuels to ensure uninterrupted power supply and diversification to new fuel sources. This necessitates new power transmission lines. Region-wise, Peru is expected to invest USD 470 million as part of its 2013-18 'Binding Plan' for new and existing re-powering of power lines. Besides, countries like

Argentina, Chile, Colombia and Ecuador have also planned various new lines and upgradation of existing lines.

#### ASIA – BRIEF INDUSTRY OVERVIEW

The Asia-Pacific region has steadily emerged as one of the key market for T&D players with rising activity in China, reforms in many markets, electrification mandates across several regions and a focus on renewable energy driving. With the continent having some of world's fastest growing economies, there is a constant demand and growth for power. However, demand shortages and poor infrastructure are the principal issues plaguing the electricity sector in this region, which also points to significant incipient market potential. Demand for electricity in Asia is expected to grow 3.4% per year to as much as 15,000 TWh by 2035, nearly doubling from ~7,000 TWh in 2010. Besides, Asia will account for almost 60% of world electricity demand growth leading to 2035 and account for over 50% of global electricity demand.

As per a Frost & Sullivan report, an increase in grid investments is expected to drive the Asia-Pacific (APAC) T&D market that is estimated to surpass USD 24.11 billion in 2015. Efforts to extend the grid to remote areas in developing nations like Vietnam, Indonesia and the Philippines will also lend momentum to the Asia Pacific T&D equipment as well as EPC industry.

#### MIDDLE EAST – BRIEF INDUSTRY OVERVIEW

The Middle East is among the most electricity-intensive regions globally with a per capita electricity consumption of more than double the global average. As per the Global Transmission Report 2013, the highest growth in generation capacity of 8.1% was witnessed in the Middle East region over the past few years. The cumulative investment in the power transmission segment is expected to be as much as USD 38.7 billion by 2020. At USD 14.5 billion, Saudi Arabia attracts 37.4% of aggregate investments. Qatar and the UAE are expected to invest almost similar levels in their transmission segments.

According to the International Energy Agency, the Middle East electricity consumption is expected to increase to 1,353 TWh by 2030 (recording a CAGR of about 4%). With 238 GW of capacity expected to power the region that is also now looking to de-risk its economic profile through increasing non-oil investments, a substantial demand for new and upgrading existing transmission lines is expected to follow. North Grid linking Saudi Arabia, Qatar, Kuwait and Bahrain has been completed under Phase I. In Phase II, UAE and Oman will be linked as part of the South Grid and Phase III will see the linking of the North and South Grids. On the overall, the Kingdom of Saudi Arabia is expected to invest about USD 140 billion in its power generation and transmission infrastructure by 2020, throwing significant opportunities for participants.

#### AFRICA – BRIEF INDUSTRY OVERVIEW

As per Africa Power Vision (APV), the continent is expected to achieve an 80% residential electrification rate by 2040 and 90% for industry/business with sufficient energy to deliver to those connected, while also implementing off-grid solutions. The region's installed capacity is expected to touch 240.6 GW by the end of 2020, recording a substantial 10.1% CAGR as compared to its 2014 capacity. Africa's electricity consumption is expected to grow 5.7% per annum to 3,188 TWh by 2040. A number of inter-connection projects have been planned as part of the EAPP constituting

about 10,500-km of lines with a voltage range of 220-600 kV (including 500 kV and 600 kV HVDC bi-poles). 'Powering Africa', a 2015 McKinsey's report estimates the sub-Sahara Africa region would require about USD 490 billion of capex for new generating capacity in addition to another USD 345 billion for transmission and distribution. Besides, the West African Power Pool (WAPP) and the South African Power Pool (SAPP) have been envisaged to connect energy sources to countries in these respective regions. Countries part of this project include Democratic Republic of the Congo, Angola, Namibia, Botswana, South Africa, Malawi, Mozambique, Zambia and Zimbabwe will also be brought under this project soon. WAPP encompasses about 3,000 km of 400 kV HVAC lines and is estimated to attract an investment of about USD 6.5 billion. SAPP is expected to require a capex of USD 5.6 billion.

### INDIAN TRANSMISSION AND DISTRIBUTION SECTOR

The power sector in India is among the most important constituents of the economy where even small initiatives lead to appreciable growth. The sector today stands at the cusp of innovation. Besides, integration with the latest technologies to overcome the geographical divide and distribution capacity augmentation will witness an increasing focus on renewable and clean energy.

The transformation of the power sector in the country has been underlined by several initiatives and reforms, including the strengthening of grids and their integration, smart distribution and connection of renewable supply to the grids, switching to Extra High Voltage transmission and, in the absence of overhead transmission lines, the usage of gas-insulated lines. Also, innovative ideas for funding, including infrastructure funds and pension funds, brighten prospects of the sector. These efforts are in consonance with the global focus on constructing new transmission lines and systems and modernising existing infrastructure. Hence, there exists huge untapped investment potential in the sector where a seamless and constant supply of power is required to fuel holistic growth – industrial, technological and digital.

The country's power transmission sector has seen robust capacity addition in 2015-16. As per the CEA, between April–November 2015, at a pan-India level, almost 15,721 ckm of transmission lines were added in the 220 kV voltage level and above as compared to around 18,000 ckm in 2014-15. As on September 2015, total transmission lines added (AC and HVDC) was 329,158 ckm. Moving ahead, the CEA has set a target of 364,921 ckm of new transmission lines for 2016-17.

In India, the transmission network is largely composed of 400-765 kV AC lines while HVDC networks are at 800 kV. However, the transmission sector is witnessing a steady shift towards 1,200 kV AC lines for seamless supply of power over long distances. Even so, the Government's '24x7 Power for All' vision would lead to investments worth Rs. 2.5 lakh crores over the next few years.

In India, the potential of the transmission and distribution sector to grow is immense. According to the CEA, the transmission and distribution capacity of the country has only increased by 30% in the last five years, considering the increase in generation capacity by over 50%, representing a growing mismatch that needs to be

corrected. The country today has a generation capacity of over 298,000 MW, an installed transmission capacity of over 340,000 ckm and a sub-station transformation capacity of around 659,000 MVA.

Going forward, the Indian power transmission and distribution sector is expected to require an investment of Rs. 300,000 crores over the next five years, throwing-up huge opportunities for frontline players like EMC.

### UDAY – THE RAY OF LIGHT TO SEB REFORM

The Central Government has announced reforms targeted at debt-laden state electricity boards under UDAY (Ujwal Discom Assurance Yojna). The scheme intends to achieve four key initiatives:

- Reduction in interest cost of distribution companies (discoms) principally through phased takeover of debt by state governments
- Improving operational efficiency of discoms
- Reduction in the cost of power purchase
- Enforcing financial discipline on discoms through alignment with state finances

Overall, the scheme envisages a significant state government support mainly in the form of takeover of 75% of discom debt by the respective state governments and reduction in interest rates for the balance 25% debt, which may be issued in the form of discom bonds backed by a state government guarantee.

### RENEWABLE ENERGY – THE BRIGHT SPOT

Growth of renewable energy has been one of the foremost priorities of the Government's agenda.

Renewable capacity generation has been planned to increase to 75 GW by 2022, excluding a substantial solar energy generation of 100 GW. This has the potential to add more than 1 million jobs. Besides, the Jawaharlal Nehru National Solar Mission (JNNSM) also envisages grid-connected solar power projects from 20 GW to 100 GW by 2022 with an estimated investment of Rs. 600,000 crores. Currently, the country's solar power capacity stands at about 5,000 MW and the prospects for the sector are bright, considering that more than 10,000 MW of capacity is set to be installed in 2016-17.

The potential for harnessing solar energy is relatively higher than other renewable energy sources. Considering that India is grossly energy-deficit where import stands at around 80% of the country's fossil fuel and 20% of the coal requirement. Recognising that solar energy is the only form of energy that can be consumed where it is produced, it can make power accessible and take it right to the hinterland.

Interestingly, the country's solar energy potential using only barren land is more than 2,000 GW (the country taps only around 230 GW), more than the total energy produced by the US and China combined!

**Annual global solar installations (MW)**

Year	Capacity
2009	7,800
2010	18,300
2011	28,400
2012	30,700
2013	39,900
2014	45,000
2015	56,000
2016 (E)	> 68,000
2017 (E)	> 80,000

Source: IEA

There are several Government initiatives on the anvil as well. The budgetary allocation towards schemes in the power sector has been increased by over 50% to Rs 12,200 crores. This includes the implementation and strengthening of the intra- and inter-state transmission Green Energy Corridors-I project and the integration of renewable energy to the grid by 2021-22, through the Green Energy Corridors-II project.

Other policy changes which are good for the solar sector to thrive include quick forest, environmental and project clearances, proper land acquisition compensation, and easy availability of raw materials.

**RAILWAYS – ROLLING IN THE RIGHT DIRECTION**

Exciting times lie in store for the railways in the near future, thanks to prudent Government initiatives and the significant expansion, upgradation and modernisation of the railways network.

The Railway Budget for 2016-17 has increased the capital outlay to Rs. 1.21 lakh crores. As many as 44 new projects have also been announced in addition to commissioning of 7-km per day of broad gauge lines (increasing to 19-km per day by 2018-19) and electrification of around 20,000 km of railway lines. Other ancillary initiatives like dynamic pricing (already implemented across select premium trains), focus on port connectivity and allotment time for projects to be reduced to eight months, among others, have given a strong push to the sector. Moreover, the capex outlined between 2016-20 is estimated at Rs. 8.56 trillion, which is 3.5 times more than the previous five years.

**Key highlights of the Railway Budget 2016-17**

- Revenue generation targeted at Rs. 1.84 trillion
- FY17 targeted operating ratio of 92%
- Capex pegged at Rs. 1.21 trillion; implementation through joint ventures with states, new frameworks for PPP, etc
- FY17 targeted commissioning of 2,800 km of track, commissioning broad gauge lines at over 7-km/day
- Award of dedicated freight corridor (DFC) projects worth Rs. 24,000 crores; propose to take-up North-South, East-West and East Coast freight corridors through innovative financing models
- Life Insurance Corporation of India (LIC) has agreed to fund Rs.

1.5 lakh crores over the next five years for the construction of new lines and route electrification

The introduction of the bullet train to be operational initially in the Mumbai-Ahmedabad sector in association with the Government of Japan, testing of Spain's Talgo trains and merging of the Railway Budget with the Union General Budget, among other initiatives, spell good news for the sector as a whole.

**Outlook**

The global T&D segment will witness steady growth in the coming years due to higher energy demand. In India, the power T&D segment offers huge opportunity as large scale investments is expected both by the PGCIL and private sector players.

ICRA believes that the UDAY scheme is a significant positive for the power sector. The research and rating agency estimates that, under the scheme, the aggregate relief to discoms is likely to be around Rs 880 billion per year by 2018-19, which translates into a reduction in losses by around Rs. 0.95 per unit on an all-India basis. This should enable distribution utilities to break-even over the next 3-4 years.

Moreover, the budgetary allocations towards schemes in power sector are up by over 50% to Rs. 12,200 crores. Further, the Government's support to discoms and the decision to create 100 smart cities, the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Restructured-Accelerated Power Development and Reforms Programme (R-APDRP) and North East India transmission investment would immensely enhance the potential of the sector.

**RISK MANAGEMENT**

Risk management is an important aspect of your Company's business model, enabling it to achieve sustainable growth. The prevalent economic environment, in combination with significant growth ambitions of the Company, carries with it an evolving list of risks. The Company counters these risks through adequate control mechanisms that define its risk appetite while at the same time enabling it to capitalise on the prevalent set of opportunities.

The Company actively deploys a well-defined standard operating procedure – from project planning to handover – and adheres to rigorous internal checks and balances with regard to every project. Most of the projects that the Company undertakes are long term and therefore involves a variety of implementation risks, including construction delays, delay or disruption in supply of raw materials, delays in arranging the right of way, managing locational issues and availability of cost-effective and skilled manpower. Besides, bank guarantee encashment may also impact Company's reputation in the long run.

The Company's business is significantly dependant on the cost-competitive availability of quality raw materials and fuels for its construction and development of projects. The principal resources include steel, zinc, aluminum conductors, copper, diesel oil, concrete, cement, ballasts, reinforcement bars, electrodes, nuts and bolts and valves, among others. Prices and supply of these vary on account of demand-supply, competitive intensity, production levels and import duties etc. The Company counters this through engaging in long-term supply contracts, active negotiations, diversifying its vendor base, etc.



With a view to mitigate receivable and credit risks, while selecting a project, the Company prefers customers with a good track record and credit history and projects that are supported by reputed financial institutions. In its global portfolio, the company prefers to work on projects that are backed by multilateral funding agencies.

### HUMAN RESOURCES

The key to organisational growth is employee satisfaction. Interestingly, the small kingdom of Bhutan does not follow the traditional GDP, but the concept of GNH, or Gross National Happiness. It weighs its prosperity of the country in terms of the happiness of its people! At EMC, we also follow this concept, where the happiness of our employees is sacrosanct.

We at EMC firmly believe in employee empowerment, where we value the diligence and dedication of our employees and recognise their efforts in driving growth in the Company. The programmes we host for our employees all intend to nurture and develop skills, build their abilities and align their aspirations to the growth of the Company. Towards this extent, the Company is also focused on building a strong talent pool and a robust leadership hierarchy, leading to operational excellence and growth.

In order to develop and inculcate skills among employees in the infrastructure-engineering sector, the Company established the EMC Academy in 2011, with the objective of providing thorough theoretical and hands-on training to our employees at all levels, as well as to develop managerial skills in them, through experienced and well-renowned faculty of industry professionals and veteran academicians.

#### The HR policy of the Company stands tall on four key pillars:

- i. **Talent attraction:** The Company focuses on talent attraction and acquisition to fuel growth. Our holistic recruitment programme ensures that we employ the best professionals and strengthen our position as a dominant EPC player in the domestic as well as the global markets.
- ii. **Talent motivation:** The Company undertakes many initiatives to motivate our employee pool and add value to their portfolio. Our HR and administrative teams consist of seasoned industry professionals who constantly motivate our employees and push them to further their horizons and better their performance.
- iii. **Talent cultivation:** The EMC Academy plays a vital role in this sphere. It provides a holistic curriculum to our employees at all levels, be it ground staff or supervisory. Our focus on skill development and learning out of the box, including hands-on experience, gives us the edge when it comes to employee growth and retention.
- iv. **Talent well-being:** Our foremost concern when it comes to our human resource is safety. Our business involves engineering activities at the most advanced levels, sometimes in very challenging terrain, thus calling out for safety and security of our employees. We review safety standards regularly and set benchmarks towards the same, to ensure our employees' well-being at all times.

### ADEQUACY OF INTERNAL CONTROLS

The Company has a proper internal control system and follows relevant procedures towards the same. The efficiency of the internal controls is constantly monitored by the Company. The Company also appoints internal auditors for the purpose of providing the a clear picture to the Audit Committee and the Board of Directors in terms of an independent, objective and practical assurance of the effectiveness and adequacy of the Company's control, governance and risk management. This Committee also looks into the corrective measures adopted by the Company, and the expansion of the processes after being reviewed by the Company.

### 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 results 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 where the Company operates, changes in Government regulations, tax laws and other statutes and other incidental factors.

Dear Members,

The Board of Directors presents the Company's Annual Report, together with the audited financial statements for the financial year ended March 31, 2016.

### FINANCIAL RESULTS

The Company's performance for the financial year ended 31st March, 2016 as per Standalone Financial Statements is summarized below –

	2015-16 ₹	2014-15 ₹
<b>INCOME</b>		
Income from Operation	41,21,08,57,804	35,82,67,66,559
Other Income	14,27,81,279	13,76,80,625
	<b>41,35,36,39,083</b>	<b>35,96,44,47,185</b>
<b>EXPENDITURE</b>		
Manufacturing and Other Expenses	36,90,31,01,111	32,53,40,50,380
Interest	1,85,65,17,732	1,19,64,47,429
Depreciation	17,55,08,518	16,85,55,606
	<b>38,93,51,27,361</b>	<b>33,89,90,53,415</b>
<b>Profit before Exceptional, Extraordinary Items and Taxation</b>	<b>2,41,85,11,721</b>	<b>2,06,53,93,769</b>
Add/Less: Exceptional / Extraordinary Items	-	-
<b>Profit before Taxation from continuing operations</b>	<b>2,41,85,11,721</b>	<b>2,06,53,93,769</b>
Tax Expenses	82,18,03,190	78,31,84,104
<b>Profit after Taxation</b>	<b>1,59,67,08,531</b>	<b>1,28,22,09,665</b>

### FINANCIALS

The total income of your Company has increased from ₹ 35,96,44,47,185 to ₹ 41,35,36,39,083 during the financial year under consideration. The profit before tax (PBT) increased from ₹ 2,06,53,93,769 to ₹ 2,41,85,11,721. The profit after tax for the current year is ₹ 1,59,67,08,531 as against ₹ 1,28,22,09,665 in the previous financial year.

### AMALGAMATION OF THE COMPANY

Your Board of Directors on March, 31, 2016 has approved a Draft Scheme of Amalgamation of your Company for it to amalgamate, along with Mcnally Bharat Engineering Co. Ltd, Mcnally Sayaji Engineering Limited into Kilburn Engineering Limited. The core objective of the merged entity will be to emerge as a total engineering solution company with comprehensive constructive and Resource Management Capability, which will not only improve its Marketability but also lead to multiple opportunity creation. The merged entity will be a conglomerate that will have a robust business potential which will provide end to end engineering and construction solution to its customers across sectors and geographies that individual companies were hitherto unable to.

Each constituent of the merged entity will bring in to the common pool their list of unique clientele. Thus the common pool will be able to compile a combined list of niche customers who can now be approached with huge expanse of service range.

The scheme will facilitate a Creation of a strong consolidated company which will have synergies like Competitive edge over competitors, higher capacity utilization, engineering excellence, technological tie-ups, wider geographical reach to enable faster execution of projects etc.

The draft scheme of Amalgamation has received approval from the Competition Commission of India and is currently awaiting approvals from other regulatory bodies.

#### **DIVIDEND**

Your Board has recommended a Dividend of 0.50 Paise per Equity Share (5% per cent) for the financial year 2015-16 to the Equity shareholders of your Company.

#### **TRANSFER TO GENERAL RESERVE**

The Company proposes not to transfer any funds out of its total profit for the financial year to the General Reserve.

#### **CONSOLIDATED FINANCIAL STATEMENT**

The consolidated financial statement for all the subsidiary companies is enclosed.

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of the business of the Company.

#### **GOING CONCERN STATUS**

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operation in the future.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2016 and the date of this Report of the Directors.

#### **SUBSIDIARY / JOINT VENTURES**

As on 31st March, 2016, your Company has Fifteen subsidiary companies namely EMC Hardware Limited, EMC Solar Limited, EMC Tower Limited, EMC Forging Limited, EMC Logistics Limited, EMC Academy Limited, EMC Overseas Limited, Quatro Rail Tech Solutions Limited, Advanced Steel & Crane Inc., Tecnolines SRL, EMC West Asia DMCC, EMC East Asia Limited, Tecnolines Singapore Pte. Limited, EMC Saudi LLC and CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH).

A separate section on the performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 is part of the report. It is included in the consolidated financial statement.

#### **SHARE CAPITAL**

During the year 2015-16, the Company allotted 1,00,00,000 equity shares of ₹10 each pursuant to preferential allotment. Consequently, the paid up equity share capital of the Company stood at ₹ 47,00,00,000/- (Rupees Forty Seven Crore only) consisting of 4,70,00,000 (Four Crore Seventy Lakh) equity shares of ₹ 10 each.

#### **DEPOSITS**

During the year under review the Company has not invited deposit from the public falling within the ambit of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY COMPANY**

The details of Loans, Guarantees and Investments made under Section 186 of the Companies Act, 2013 are provided in the financial statement of the Company.

#### **RELATED PARTY TRANSACTION**

All RPTs, including those relating to the Company's overseas direct/indirect subsidiaries, are done on an arm's length basis and in the ordinary course of business. The Company presents a detailed landscape of all RPTs to the Audit Committee, specifying the nature, value and terms and conditions of the transaction. Apart from the Related Party Transactions in the ordinary course of business and at arm's length basis, details of which are given in the notes to the financial statements, there were no other Related Party Transactions requiring

disclosure in the Directors' Report. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

#### MEETINGS OF THE BOARD

Minimum four Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

During the financial year, Seven Board Meetings were convened and held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT – 9 as required under Section 92 of the Companies Act 2013 is included in this Report as Annexure.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Biplob Shankar Bose (DIN: 01737400) as an Additional Director in the capacity of Whole Time Director, with effect from 4th July, 2016 for a period of two years on and from 4th July, 2016 to 3rd July, 2018, subject to the approval of shareholders and accordingly an ordinary resolution is included in the Notice of Annual General Meeting.

The service contracts of Mr. Manoj Toshniwal, Managing Director and Mr. Ramesh Chandra Bardia, Joint Managing Director were for a period of 3 years beginning from 23rd July, 2013 to 24th July, 2016 and 1st September, 2013 to 31st August, 2016 respectively. The Board of Directors has re-appointed Mr. Manoj Toshniwal as Managing Director and Mr. Ramesh Chandra Bardia as Joint Managing Director for a further period of 3 years beginning from 24th July, 2016 to 23rd July, 2019 and 1st September, 2016 to 31st August, 2019, respectively, subject to the approval of shareholders and accordingly separate ordinary resolutions are included in the Notice of Annual General Meeting for their re-appointment.

Mr. Saubir Bhattacharyya resigned from the Board on 26th February, 2016 and Mr. Durga Prasad Sharma resigned from the Board on 30th June, 2016. The Board has placed on record their deep appreciation for the valuable contribution made by Mr. Saubir Bhattacharyya and Mr. Durga Prasad Sharma during their unstinted tenure of services with the Company.

Mr. Sumit Kumar Surana, has been appointed as the Company Secretary of the Company with effect from 2nd November, 2015 in place of Mr. Chandra Sekhar Adhikary who has resigned as Company Secretary of the Company. The Nomination and Remuneration Committee of the Board has recommended the said appointment to the Board of Directors.

All the Independent Directors have given their declaration of independence as required under Section 149(6) of the Companies Act, 2013;

In accordance with the provisions of the Articles of Association of the Company read with section 152 of the Companies Act, 2013, Mr. Manish Agarwal will retire by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has devised a Policy for performance evaluation of Independent Directors, Board Committees and other Individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors. The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity. The Board also ensured that committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013.

During the year under review your Company appointed the following persons as Key Managerial Person (KMP) –

Sl. No.	Name	Designation
1.	Mr. Manoj Toshniwal	Managing Director
2.	Mr. Ramesh Chandra Bardia	Joint Managing Director
3.	Mr. Arun Kumar Kedia	Chief Financial Officer
4.	Mr. Sumit Kumar Surana	Company Secretary

#### MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on 31st March, 2016 to evaluate performance of the Chairman of the Board of the Directors and the Board as a whole and the same was found satisfactory.

#### WHISTLE BLOWER POLICY

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle Blower Policy. All



Whistle Blower Cases are periodically presented and reported to the Audit Committee of the Company. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable timeframe.

#### **RISK MANAGEMENT**

Our Risk Management Framework is designed to help the organization meet its objectives through alignment of operating controls with the Company's mission and vision.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

#### **REMUNERATION AND NOMINATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

#### **STATUTORY AUDIT**

The Statutory Auditors of the Company, M/s SRB & Associates, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors on the recommendation of the Audit Committee has proposed to re-appoint M/s SRB & Associates, Chartered Accountants, as the Company's statutory auditors, who shall hold the office from the conclusion of the 60th Annual General Meeting for a term of five consecutive years, i.e., until the conclusion of the 65th Annual General Meeting (subject to ratification by members at every Annual General Meeting, if required, under the prevailing law at that time). The Company has obtained a written consent from them to the effect that their re-appointment, if made, would be in terms of Section 139 of the Companies Act, 2013 and Rule 3 and 6 of Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for re-appointment within the meaning of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

M/s. Acharyya Swapan & Co., Chartered Accountants are the Internal Auditors of the Company. They function independently and submit their report to the Audit Committee.

Any query from the Auditors is being dealt with in the Notes to Accounts.

#### **COST AUDIT**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records every year.

The Board of Directors on the recommendation of Audit Committee has appointed M/s. N. Radhakrishnan & Co., Cost Accountants as Cost Auditors to audit the cost accounts of the Company for the financial year 2016-17. As required under the Companies Act, 2013 a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed A.K.Labh & Company, a firm of Company Secretaries in Practice (C. P. No. 3238) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for the Financial Year 2015-16 in the Form MR-3 is annexed herewith as 'Annexure'. The Board has taken note of the observations made by the Secretarial Auditor and the same are being complied with.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board of Directors (Board) has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new/revised standard operating procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework and adequate segregation of duties to ensure an acceptable level of risk.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is

entrusted to M/s. Acharya Swapan & Co., Chartered Accountants. To enhance internal controls, the internal audit follows a stringent grading mechanism, focusing on the implementation of recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected, or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure, controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

#### **PARTICULARS OF EMPLOYEES**

The statement containing employee information as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. The Reports and Accounts are being sent to members and other entitled thereto, excluding the information on employee's particulars which is available for inspection by the members at the Registered Office of the Company during business hours on any working day. If any member is interested in obtaining a copy thereof, such member may write to Company Secretary in this regard.

#### **CORPORATE SOCIAL RESPONSIBILITY**

As a part of its Corporate Social Responsibility (CSR) your Company has formed a CSR Committee who looks into the various avenues according to the CSR Policy framed by the Committee wherein the Company can extend its activity for the society at large. The following are the members of the CSR Committee.

<b>Name of Members</b>	<b>Chairman / Member</b>	<b>Category</b>
Mr. Suraj Mall Singhi	Chairman	Independent Director
Mr. Ramesh Chandra Bardia	Member	Joint Managing Director
Mr. Manish Agarwal	Member	Non-Executive Director

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The CSR Committee meeting was held on 30th March, 2016 wherein the Committee discussed about CSR Initiatives which the Company can undertake and the avenues to invest the funds of the Company as prescribed in the Act.

The Rules and regulations of CSR being implemented recently, your Company would like to submit that it is under process of tie-up with various associations/ organisation/trust for pursuing the CSR activities as envisaged in the CSR Policy. The process of identifying activities and various tie ups delayed the CSR spend and hence the Company could not spend the amount of envisaged CSR expenditure. The Company is committed to the underlying intent of CSR and is optimistic of meeting its commitment by spending higher amount in the coming financial year and thereby make a positive impact on the society.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2016 and state that :

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- 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 that period;
- 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;
- iv. the Directors have prepared the annual accounts on a going concern basis;

- v. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### AUDIT COMMITTEE

Your Company is having an Audit Committee comprising of the following Directors –

Sl. No.	Name	Status	Category
1.	Mr. Suraj Mall Singhi	Chairman	Non Executive & Independent Director
2.	Ms. Arundhuti Dhar	Member	Non Executive & Independent Director
3.	Mr. Manish Agarwal	Member	Non Executive Director

Four Audit Committee Meetings were held during the financial year under consideration.

#### NOMINATION AND REMUNERATION COMMITTEE

Your Company is having a Nomination and Remuneration Committee comprising of the following Directors -

Sl. No.	Name	Status	Category
1.	Mr. Suraj Mall Singhi	Chairman	Non Executive & Independent Director
2.	Ms. Arundhuti Dhar	Member	Non Executive & Independent Director
3.	Mr. Manish Agarwal	Member	Non Executive Director

Four Nomination and Remuneration Committee Meetings were held during the financial year under consideration.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company is having a Stakeholder Relationship Committee comprising of the following Directors –

Sl. No.	Name	Status	Category
1.	Mr. Suraj Mall Singhi	Chairman	Non Executive & Independent Director
2.	Mr. Manoj Toshniwal	Member	Managing Director
3.	Mr. Ramesh Chandra Bardia	Member	Joint Managing Director

Necessary Stakeholder Relationship Committee meetings were held during the FY 15-16 to approve the necessary transfer of shares.

#### ENERGY CONSERVATION, 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 ₹ 22,149.31 Lacs (previous year ₹ 22,843.77 Lacs), which includes investments made and advances given to foreign Subsidiaries, tour expenses etc., towards foreign exchange expenditure during the financial year under review and has earned ₹ 22,202.76 Lacs (previous year ₹ 22,593.06 Lacs) foreign exchange during the said period.

#### DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has endeavored to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions, and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. Your Company has an Internal Complaints Committee in place in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures implementation and compliance with the Law as well as the policy at every unit and tackle issues relating to sexual harassment. The Internal Compliant Committee is formed with the following members –

Sl. No.	Name	Chairperson / Member
1.	Ms. Yamini More	Chairperson
2.	Ms. Madhumita Bhattacharyya	Member
3.	Mr. Swapan Kumar Dutta	Member
4.	Mr. Apurva Roy – NGO Representative	Member

There were no cases/ complaints reported in this regard during the year 2015-16 and no meetings were held during the year.

**APPRECIATION**

The Directors place on record their sincere appreciation for the significant contribution made by employees through their dedication, hard work and commitment to ensure the Company's long-term growth and sustainability.

The Board places on record its appreciation for the support and cooperation your Company has received from its customers, vendors, suppliers, business partners, who are our partners in progress. The Directors acknowledge the support and assistance extended to us by the Government of India, various State Governments and government departments, financial institutions, bankers, shareholders and all other statutory agencies at large and look forward to their support in our future endeavours.

For and on behalf of the Board

Place: Kolkata  
Dated: 31.08.2016

**Manoj Toshniwal**  
*Managing Director*  
DIN : 00022787

**Ramesh Chandra Bardia**  
*Joint Managing Director*  
DIN : 00374148



## SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**EMC Limited**  
"Constantia Office Complex"  
South Block, 8th Floor  
11, Dr. U. N. Brahmachari Street  
Kolkata - 700 017  
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EMC Limited having its Registered Office at "Constantia Office Complex", South Block, 8th Floor, 11, Dr. U. N. Brahmachari Street, Kolkata – 700 017, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### AUDITORS' RESPONSIBILITY

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and basis of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015.

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except that :

- (a) the Company has not made the requisite expenditure towards the Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, 2013;
- (b) the resolution for the appointment of Company Secretary was not in terms with the provisions of Section 179(3) of the Companies Act, 2013;
- (c) resolution for making inter-corporate investment was not filed with the office of the Registrar of Companies.

The shares of the Company are not listed with any stock exchange.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

- (a) issued 1,00,00,000 Equity Shares of ₹ 125 each (Including Premium of ₹ 115 Per Share) on preferential basis on 25.05.2015;
- (b) the Company has invested in EMC Saudi LLC and EMC MBE Contracting Co. LLC during the period under report.

For **A. K. LABH & CO.**  
Company Secretaries

**CS A. K. LABH**  
Practicing Company Secretary  
FCS – 4848 / CP No.- 3238

Place : Kolkata  
Dated : 31-08-2016

**MGT – 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules]**I. REGISTRATION & OTHER DETAILS**

i)	CIN	U31901WB1953PLC021044
ii)	Registration Date	18th May, 1953
iii)	Name of the Company	EMC Limited
iv)	Category/Sub-category of the Company	Public Company
v)	Address of the Registered office & contact details	“Constantia Office Complex” 8th Floor, (South Block) 11, Dr. U.N. Brahmachari Street Kolkata - 700017
vi)	Whether listed company - Yes No	No (Unlisted)
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor, Kolkata - 700001 Ph: 033 - 22435029

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	EPC contractors in the field of EHV, Transmission Line projects upto 800 KV, EHV substations projects upto 765 KV including GIS substations, Power Distribution for large industrial projects like steel plant , cement plants, railways and distribution projects like APDRP/R-APDRP	42202	92.24%
2	Manufacturing of Transmission Line Towers, Conductors and Hardware, Aluminium Extrusion & Forging	3510	Nil
3	Solar Power Production	35105	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES					
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	EMC Solar Limited 51, Canal East Road, Kolkata - 700085	U40108WB2010PLC149583	Subsidiary	100%	2 (87)
2	EMC Tower Limited 51, Canal East Road, Kolkata - 700085	U40107WB2010PLC149842	Subsidiary	100%	2 (87)
3	EMC Forging Limited 51, Canal East Road, Kolkata - 700085	U40102WB2010PLC149843	Subsidiary	100%	2 (87)
4	EMC Logistics Limited 51, Canal East Road, Kolkata - 700085	U60230WB2010PLC150647	Subsidiary	100%	2 (87)
5	EMC Academy Limited 51, Canal East Road, Kolkata - 700085	U80221WB2010PLC151754	Subsidiary	100%	2 (87)
6	EMC Overseas Limited 51, Canal East Road, Kolkata - 700085	U40102WB2011PLC162101	Subsidiary	100%	2 (87)
7	EMC Hardware Limited 51, Canal East Road, Kolkata - 700085	U24299WB1982PLC183166	Subsidiary	100%	2 (87)
8	Advanced Steel & Crane Inc. P.O. Box- 9187, Tulsa, OK 74132 United States	-	Subsidiary	100%	2 (87)
9	Tecnolines S.R.L Strada Pizzolesse n. 46/A- I- 43100, Parma, Italy	02507970347	Subsidiary	70%	2 (87)
10	EMC West Asia DMCC Unit No. 2109, Jumeirah Bay Tower, Plot No. X2, Jumeirah Lakes Towers, Dubai, U.A.E.	JLT5180	Subsidiary	100%	2 (87)
11	Quatro Rail Tech Solutions Ltd. 756, (1st Floor), 80 Feet Road, 4th Block, Koramangala, Bangalore, Karnataka - 560034	U74900KA2012PTC064625	Subsidiary	60%	2 (87)
12	EMC East Asia Limited 18th Floor, Unit 1803, Lemmi Centre 50 Hoi Yuen Road, Kwun Tong, Kowloon, HongKong	62649163-000-01-14-7	Subsidiary	100%	2 (87)
13	Tecnolines Singapore Pte. Limited 3, Philip Street, 17-01, Royal Group Building Singapore - 048693	204402856R	Subsidiary	100%	2 (87)
14	CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH) Dillenburger Str. 63, 51105 Cologne , Germany	-	Subsidiary	90%	2 (87)
15	EMC Saudi LLC Riyadh	1010441917	Subsidiary	60%	2 (87)



**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	12754300	0	12754300	34.4711	11954300	0	11954300	25.4347	9.0364
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	24161206	14	24161220	65.3006	34161520	0	34161520	72.6841	-7.3835
(e) Banks/Fin.Institution	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1) :</b>	<b>36915506</b>	<b>14</b>	<b>36915520</b>	<b>99.7717</b>	<b>46115820</b>	<b>0</b>	<b>46115820</b>	<b>98.1188</b>	<b>1.6529</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks/Fin.Institution	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>36915506</b>	<b>14</b>	<b>36915520</b>	<b>99.7717</b>	<b>46115820</b>	<b>0</b>	<b>46115820</b>	<b>98.1188</b>	<b>1.6529</b>
<b>B Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/Fin.Institution	0	50	50	0.0001	0	50	50	0.0001	0
(c) Central Government	0	0	0	0	0	0	0	0	0
(d) State Governments	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FII's	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Funds	0	0	0	0	0	0	0	0	0
(i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1) :</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>0.0001</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>0.0001</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
(a) Bodies Corporate	1951	3250	5201	0.0141	1951	3250	5201	0.0111	0.003
(i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	21947	57282	79229	0.2141	22057	56872	78929	0.1679	0.0462
(c) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2) :</b>	<b>23898</b>	<b>60532</b>	<b>84430</b>	<b>0.2282</b>	<b>824008</b>	<b>60122</b>	<b>884130</b>	<b>1.8811</b>	<b>-1.6529</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>23898</b>	<b>60582</b>	<b>84480</b>	<b>0.2283</b>	<b>824008</b>	<b>60172</b>	<b>884180</b>	<b>1.8812</b>	<b>-1.6529</b>
<b>C Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>36939404</b>	<b>60596</b>	<b>37000000</b>	<b>100</b>	<b>46939828</b>	<b>0</b>	<b>47000000</b>	<b>100</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sunder Lal Dugar	199020	0.5379	0	199020	0.4234	0	0.1145
2	Mr. Manoj Toshniwal	1035683	2.7991	0	1035683	2.2036	0	0.5955
3	Mr. Ramesh Chandra Bardia	1909089	5.1597	0	1109089	2.3598	0	2.7999
4	Mr. Vinod Dugar	4318624	11.6720	0	4318624	9.1886	0	2.4834
5	Smt. Sheetal Dugar	4429145	11.9707	0	4429145	9.4237	0	2.547
6	Smt. Kusum Devi Dugar	45962	0.1242	0	45962	0.0978	0	0.0264
7	Mr. Shree Kumar Toshniwal	532159	1.4383	0	532159	1.1323	0	0.306
8	Smt. Sunita Bardia	284618	0.7692	0	284618	0.6056	0	0.1636
9	YMS Finance Private Limited	6040001	16.3243	0	6040001	12.8511	0	3.4732
10	Trinetra Electronics Limited	2448528	6.6176	0	2448528	5.2096	0	1.408
11	Sharada Commerce Private Limited	1100000	2.973	0	1100000	2.3404	0	0.6326
12	Tamkore Investment Private Limited	2400000	6.4865	0	2400000	5.1064	0	1.3801
13	Subhas Impex Private Limited	3453252	9.3331	0	3453252	7.3473	0	1.9858
14	Statefield Trade Link Private Limited	1869425	5.0525	0	1869425	3.9775	0	1.075
15	Metalind Private Limited	2850000	7.7027	0	2850000	6.0638	0	1.6389
16	MKN Investment Private Limited	4000014	10.8109	0	14000314	29.7879	0	-18.977
	<b>Total :</b>	<b>36915520</b>	<b>99.7717</b>	<b>0</b>	<b>46115820</b>	<b>98.1188</b>	<b>0</b>	<b>1.6529</b>

## (iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Ramesh Chandra Bardia				
	At the beginning of the year	1909089	5.1597	1909089	5.1597
	Transfer of 8,00,000 shares to Mr. Siddhartha Bardia	800000	1.7021	1109089	2.3598
	<b>At the end of the Year</b>			<b>1109089</b>	<b>2.3598</b>
2	MKN Investment Private Limited				
	At the beginning of the year	4000014	10.8109	4000014	10.8109
	Increase during the year	10000300	21.2772	14000314	29.7879
	<b>At the end of the Year</b>			<b>14000314</b>	<b>29.7879</b>

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of Top 10 Shareholders at the beginning of the year Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease e.g. allotment/transfer/bonus/sweat equity etc.):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Parasram Securities Pvt. Ltd.				
	At the beginning of the year	2950	0.0063	2950	0.0063
	<b>At the end of the year</b>			<b>2950</b>	<b>0.0063</b>
2	Pinakin Chimanlal Shah				
	At the beginning of the year	2750	0.0059	2750	0.0059
	<b>At the end of the year</b>			<b>2750</b>	<b>0.0059</b>
3	Dr. Ramsudhi Ganguly				
	At the beginning of the year	1450	0.0031	1450	0.0031
	<b>At the end of the year</b>			<b>1450</b>	<b>0.0031</b>
4	Rajni Kantilal Sanghvi				
	At the beginning of the year	1150	0.0024	1150	0.0024
	<b>At the end of the year</b>			<b>1150</b>	<b>0.0024</b>
5	Prem Bawari				
	At the beginning of the year	1000	0.0021	1000	0.0021
	<b>At the end of the year</b>			<b>1000</b>	<b>0.0021</b>
6	Dinesh Vrijlal Lakhani				
	At the beginning of the year	1000	0.0021	1000	0.0021
	<b>At the end of the year</b>			<b>1000</b>	<b>0.0021</b>
7	Shah Paresh Chimanlal				
	At the beginning of the year	900	0.0019	900	0.0019
	<b>At the end of the year</b>			<b>900</b>	<b>0.0019</b>
8	Mrs. Pushpa Goenka				
	At the beginning of the year	900	0.0019	900	0.0019
	<b>At the end of the year</b>			<b>900</b>	<b>0.0019</b>
9	Shri Parasram Holdings Pvt. Ltd.				
	At the beginning of the year	800	0.0017	800	0.0017
	<b>At the end of the year</b>			<b>800</b>	<b>0.0017</b>
10	Mrs. Maneckbai Kooverji Gamadia				
	At the beginning of the year	700	0.0015	700	0.0015
	<b>At the end of the year</b>			<b>700</b>	<b>0.0015</b>

## (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP at the beginning of the year Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease e.g. allotment/transfer/bonus/sweat equity etc.):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Manoj Toshniwal				
	At the beginning of the year	1035683	2.7991	1035683	2.7991
	<b>At the end of the Year</b>			<b>1035683</b>	<b>2.2036</b>
2	Mr. Ramesh Chandra Bardia				
	At the beginning of the year	1909089	5.1597	1909089	5.1597
	Decrease during the year	800000	1.7021	1109089	2.3598
	<b>At the end of the Year</b>			<b>1109089</b>	<b>2.3598</b>

## V. INDEBTEDNESS

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the financial year</b>				
i) Principal Amount	56,63,19,092	2,58,60,00,000	-	3,15,23,19,092
ii) Interest due but not paid	94,93,271	1,37,11,607	-	2,32,04,878
iii) Interest Accrued but not due	-	-	-	-
<b>Total : (I + ii + iii)</b>	<b>57,58,12,363</b>	<b>2,59,97,11,607</b>	-	<b>3,17,55,23,970</b>
* Addition	22,09,89,760	2,56,09,23,720	-	2,78,19,13,480
* Reduction	20,45,22,471	49,97,11,607	-	70,42,34,078
<b>Net Change</b>	<b>1,64,67,289</b>	<b>2,06,12,12,113</b>	-	<b>2,07,76,79,402</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	58,84,17,770	4,57,60,00,000	-	5,16,44,17,770
ii) Interest due but not paid	38,61,882	8,49,23,720	-	8,87,85,602
iii) Interest Accrued but not due	-	-	-	-
<b>Total : (I + ii + iii)</b>	<b>59,22,79,652</b>	<b>4,66,09,23,720</b>	-	<b>5,25,32,03,372</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Manoj Toshniwal	Mr. Ramesh Chandra Bardia	Mr. Durga Prasad Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,18,80,000.00	1,18,80,000.00	42,03,000.00	2,79,63,000.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, specify	-	-	-	-
	<b>TOTAL (A)</b>	<b>1,18,80,000.00</b>	<b>1,18,80,000.00</b>	<b>42,03,000.00</b>	<b>2,79,63,000.00</b>
	Ceiling as per the Act	10% of Net Profit			

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Suraj Mall Singhi	Mr. Saubir Bhattacharyya	Ms. Arundhuti Dutta	Mr. Manish Agarwal	
1	Independent Directors					
	- Fee for attending board committee meetings	1,05,000.00	70,000.00	85,000.00	70,000.00	3,30,000.00
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,05,000.00</b>	<b>70,000.00</b>	<b>85,000.00</b>	<b>70,000.00</b>	<b>3,30,000.00</b>
2	Other Non-Executive Directors					
	- Fee for attending board committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1 + 2)</b>	<b>1,05,000.00</b>	<b>70,000.00</b>	<b>85,000.00</b>	<b>70,000.00</b>	<b>3,30,000.00</b>
	<b>Total Managerial Remuneration</b>					<b>2,82,93,000.00</b>
	Ceiling as per the Act	1% of Net Profit				
	Overall Ceiling as per the Act	11% of Net Profit				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CFO	CS		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	58,73,766.00	11,43,699.00	-	70,17,465.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>58,73,766.00</b>	<b>11,43,699.00</b>	<b>-</b>	<b>70,17,465.00</b>

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD /NCLT/ COURT	Appeal made if any give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

# Standalone Financial Statements

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To the members of  
EMC LIMITED

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **EMC Limited (the "Company")**, which comprise the Balance Sheet as at March 31, 2016, the statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and 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

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

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

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

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

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

### OPINION

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profits and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**'; a statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report are in agreement with the books of account.



- d. In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2016, taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March 2016 from being appointed as a Director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer additional note-29 to the standalone financial statements).
  - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRB & ASSOCIATES**  
*Chartered Accountants*  
Firm Registration: No-310009E

**Sanjeet Patra**  
*Partner*  
Membership No: 056121

Kolkata  
31st August 2016

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

The Annexure referred to in our Independent Auditor's Report to the members of **EMC Limited** (the Company) on the standalone financial statements for the year ended March 31, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.
- (iii) (a) According to the information and explanations given to us, the terms and conditions in respect of the loans granted by the Company (secured/ unsecured loans) to companies/ firms/ limited liability partnerships or other parties covered in the register maintained under section 189 of the Act are not prima-facie prejudicial to the interest of the Company.
- (b) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
- (c) In respect of the aforesaid loans, there is no overdue amount for a period exceeding 90 days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, the following dues of sales tax, service tax & duty of excise have not been deposited by the Company on account of disputes:

Sl. No.	Name of the Statute	Nature of the Dues	Year since pending	Forum where Disputes is pending	Amount involved
1.	Central Excise Act, 1944	Service Tax	2007-08	The CESTAT (Chennai)	26.01
			2008-09	The CESTAT (Delhi)	4.44
			2007-08	The CESTAT(Kolkata)	302.63
2.	Central Sales Tax Act, 1956 & Sales Tax Act of Various States	Sales Tax/VAT and Entry Tax	2010-11	The Sales Tax Appeal, Revisional Board(WB)	108.34
			2011-12	The Add. Commissioner Sales Tax Appeal(AP)	122.82
			2011-12	The Sales Tax Appeal, Revisional Board(WB)	24.56
			2012-13	The Add. Commissioner Sales Tax Appeal(MP)	378.94
			2012-13	The Add. Commissioner Sales Tax Appeal(WB)	348.86
			2012-13	The Sales Tax Appeal, Tribunal(Rajasthan)	51.39
			2012-13	The Dy. Commissioner, Sales Tax Appeal(TN)	63.90
2013-14	The Add. Commissioner, Sales Tax Appeal(MP)	340.95			

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, bankers and government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of fully paid-up equity shares during the year under review in compliance with the requirements of Section 42 and 62 of the Companies Act and the amount so raised have been used for the purposes for which the funds were raised.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For **SRB & ASSOCIATES**  
*Chartered Accountants*  
Firm Registration: No-310009E

Kolkata  
31st August 2016

**Sanjeet Patra**  
*Partner*  
Membership No: 056121

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **EMC Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the 'Guidance Note') and the standards on auditing (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial



control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

For **SRB & ASSOCIATES**  
*Chartered Accountants*  
Firm Registration: No-310009E

Kolkata  
31st August 2016

**Sanjeet Patra**  
*Partner*  
Membership No: 056121

(₹)

	Note No.	As at 31.03.2016		As at 31.03.2015	
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>1 SHAREHOLDER'S FUNDS</b>					
a) Share capital	1	47,00,00,000		37,00,00,000	
b) Share application Money		-		1,25,00,00,000	
c) Reserves & Surplus	2	7,61,93,44,527	8,08,93,44,527	4,90,08,28,480	6,52,08,28,480
<b>2 NON-CURRENT LIABILITIES</b>					
a) Long term Borrowings	3	5,55,05,77,087		3,72,44,19,756	
b) Deferred Tax Liabilities (Net)	4	1,29,01,58,032		14,66,61,618	
c) Other Long term Liabilities	5	49,26,16,487	7,33,33,51,605	57,72,50,781	4,44,83,32,154
<b>3 CURRENT LIABILITIES</b>					
a) Short term borrowings	6	9,25,35,46,569		6,68,51,76,404	
b) Trade Payables	7	12,16,84,66,339		12,13,73,53,359	
c) Other current Liabilities	8	1,40,31,61,472		73,39,48,213	
d) Short term Provisions	9	4,89,98,673	22,87,41,73,053	68,93,85,753	20,24,58,63,729
			<b>38,29,68,69,186</b>		<b>31,21,50,24,363</b>
<b>II. ASSETS</b>					
<b>4 NON-CURRENT ASSETS</b>					
a) Fixed Assets :-	10				
(i) Tangible Asstes		1,67,36,20,532		1,82,29,71,924	
(ii) Intangible Assets		51,31,398		44,62,691	
(iii) Capital work-in-progress		22,00,217		62,81,929	
b) Non-current Investments	11	2,18,83,68,431		71,19,03,531	
c) Long term Loans & Advances	12	13,08,96,300		9,68,82,222	
d) Other non-current Assets	13	42,96,68,080	4,42,98,84,958	31,79,21,712	2,96,04,24,009
<b>5 CURRENT ASSETS</b>					
a) Inventories	14	1,34,88,47,878		1,38,49,90,001	
b) Trade Receivables	15	17,59,08,38,893		15,41,84,52,983	
c) Cash and cash Equivalentents	16	1,43,03,26,747		1,00,95,49,690	
d) Short term Loans & Advances	17	13,13,37,62,513		10,15,96,48,801	
e) Other Current Assets	18	36,32,08,197	33,86,69,84,228	28,19,58,878	28,25,46,00,353
			<b>38,29,68,69,186</b>		<b>31,21,50,24,363</b>
Significant Accounting Policies & Notes on Financial Statements	1 to 33				

As per our Report of even date attached

For **SRB & Associates**

Chartered Accountants

(Firm Regn No 310009E)

**Sanjeet Patra**

(Partner)

Membership No. - 056121

Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director**Ramesh Chandra Bardia**  
Jt. Managing Director**Yamini More**  
VP (Finance & Accounts)**Arun Kumar Kedia**  
Chief Financial Officer**Sumit Kumar Surana**  
Company Secretary

(₹)

	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>I. INCOME</b>			
Revenue From Operations	19	41,21,08,57,804	35,82,67,66,559
Other Income	20	14,27,81,279	13,76,80,625
<b>Total</b>		<b>41,35,36,39,083</b>	<b>35,96,44,47,185</b>
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	21	30,85,88,21,346	28,14,35,63,496
Change in inventories of Finished goods work-in-progress and Stock-in Trade	22	8,40,98,621	(26,18,49,490)
Employee benefits Expense	23	76,82,74,815	76,67,72,423
Finance Costs	24	1,85,65,17,732	1,19,64,47,429
Depreciation and Ammortisation	25	17,55,08,518	16,85,55,606
Other Expenses	26	5,19,19,06,329	3,88,55,63,952
<b>Total</b>		<b>38,93,51,27,361</b>	<b>33,89,90,53,415</b>
<b>Profit before Exceptional, Extraordinary items and Taxation</b>		2,41,85,11,721	2,06,53,93,769
Add/Less: Exceptional Items		-	-
<b>Profit before Extraordinary items and Taxation</b>		2,41,85,11,721	2,06,53,93,769
Add/Less: Extraordinary Items		-	-
<b>Profit before Taxation from continuing operations</b>		2,41,85,11,721	2,06,53,93,769
Tax Expenses:		-	-
- Current Tax (MAT/IT)		14,43,88,908	67,95,77,136
Tax adjustment of an earlier year		(67,10,178)	-
Interest on Income tax		-	8,11,56,762
- Deferred Tax (Expense)/Benefit-for Current Year		68,41,24,460	2,24,50,206
<b>Profit after Taxation from continuing operations for the year</b>		1,59,67,08,531	1,28,22,09,665
- Deferred Tax (Expense)/Benefit-for Earlier Years		-	-
<b>(A) Profit after Taxation from continuing operations</b>		<b>1,59,67,08,531</b>	<b>1,28,22,09,665</b>
Profit before Taxation from discontinuing operations		-	-
Less: Tax Expense for discontinuing operations		-	-
<b>(B) Profit after Taxation from discontinuing operations</b>		-	-
<b>Profit after Taxation for the period (A+B)</b>		<b>1,59,67,08,531</b>	<b>1,28,22,09,665</b>
Earnings per Equity Share (Face Value of )	27		
- Basic		35.10	34.65
- Diluted		35.10	34.65
Significant Accounting Policies & Notes on Financial Statements	1 to 33		

As per our Report of even date attached

For **SRB & Associates**  
Chartered Accountants  
(Firm Regn No 310009E)

**Sanjeet Patra**  
(Partner)

Membership No. - 056121  
Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Yamini More**  
VP (Finance & Accounts)

**Arun Kumar Kedia**  
Chief Financial Officer

**Sumit Kumar Surana**  
Company Secretary

(₹)

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax as per Profit and Loss Account	2,41,85,11,721	2,06,53,93,769
Adjusted for:		
Depreciation/Amortisation	17,55,08,518	16,85,55,606
Interest on Fixed Deposit	(11,50,43,182)	(10,01,78,048)
Interest Expenses-Financial Cost	1,85,65,17,732	1,19,64,47,429
Profit on sale of Fixed Assets	-	-
<b>Operating Profit Before Working Capital Changes:</b>	<b>4,33,54,94,789</b>	<b>3,33,02,18,756</b>
Adjusted for (Increase -)/Decrease(+) in:		
Inventories	3,61,42,123	(18,81,89,401)
Sundry Debtors	(2,22,17,96,760)	(4,64,08,60,809)
Loans and Advances	(3,15,17,12,627)	(3,19,84,54,263)
Current Liabilities and Provisions	1,21,36,11,044	2,16,95,07,273
	<b>(4,12,37,56,220)</b>	<b>(5,85,79,97,200)</b>
Cash Flow From Operating Activities before Tax Payments	21,17,38,569	(2,52,77,78,443)
Taxes Paid	(29,64,29,655)	(70,22,72,247)
<b>Cash Flow From Operating Activities (A)</b>	<b>(8,46,91,086)</b>	<b>(3,23,00,50,690)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Asset Purchased	(2,27,87,078)	(4,45,38,404)
Proceeds from Sale of Fixed Assets		26,624
Investment	(1,47,64,64,900)	(53,66,74,010)
Sale of Current Investment	-	-
Interest on Fixed Deposit	11,50,43,182	10,01,78,048
<b>Cash Flow From Investing Activities (B)</b>	<b>(1,38,42,08,797)</b>	<b>(48,10,07,741)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	1,63,78,75,432	<b>2,56,81,22,797</b>
Increase in Capital and Reserves		1,25,00,00,000
Proceeds from Long Term Borrowings	2,15,27,17,063	1,23,63,76,553
Interest Paid	(1,85,65,17,732)	(1,19,64,47,429)
Dividend paid Including Tax	(4,43,97,824)	(4,32,88,150)
<b>Cash Flow From Financing Activities (C)</b>	<b>1,88,96,76,939</b>	<b>3,81,47,63,770</b>
Net Increase(+)/Decrease(-) in Cash and Cash Equivalents (A+B+C)	42,07,77,056	10,37,05,338
Opening Balance of Cash and Cash Equivalents	1,00,95,49,690	90,58,44,352
Closing Balance of Cash and Cash Equivalents	<b>1,43,03,26,746</b>	<b>1,00,95,49,690</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 **SRB & Associates**  
Chartered Accountants  
(Firm Regn No 310009E)

**Sanjeet Patra**  
(Partner)

Membership No. - 056121  
Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Yamini More**  
VP (Finance & Accounts)

**Arun Kumar Kedia**  
Chief Financial Officer

**Sumit Kumar Surana**  
Company Secretary



(₹)

		As at 31.03.2016	As at 31.03.2015
<b>NOTE - 1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	7,50,00,000 Equity Shares of ₹ 10/-each	75,00,00,000	75,00,00,000
		<b>75,00,00,000</b>	<b>75,00,00,000</b>
	<b>Issued, Subscribed and Paid-up</b>		
	4,70,00,000 Equity Shares of ₹ 10/- each fully paid-up	47,00,00,000	37,00,00,000
		<b>47,00,00,000</b>	<b>37,00,00,000</b>

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

## Number of Shares

	As at 31.03.2016	As at 31.03.2015
Number of shares outstanding at the beginning of the year	3,70,00,000	3,70,00,000
Add: Arising out of shares issued during the year	1,00,00,000	-
	<b>4,70,00,000</b>	<b>3,70,00,000</b>
Less: Shares forfeited/brought back/cancelled during the year	-	-
Number of shares outstanding at the end of the year	4,70,00,000	3,70,00,000
	<b>47,00,00,000</b>	<b>37,00,00,000</b>

Note:

Details of changes in Share Capital :-

- of the above share 4,32,51,180 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 1082 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 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Equity Shares:</b>				
i) MKN Investment Pvt.Ltd.	1,40,00,314	40,00,014	29.79	10.81
ii) YMS Finance Private Limited.	60,40,001	60,40,001	12.85	16.32
iii) Trinetra Electronics Ltd.	24,48,528	24,48,528	5.21	6.62
iv) Tamkore Investment Pvt.Ltd.	24,00,000	24,00,000	5.11	6.49
v) Metalind Private Ltd.	28,50,000	28,50,000	6.06	7.70
vi) Subhas Impex Pvt.Ltd.	34,53,252	34,53,252	7.35	9.33
vii) Vinod Dugar	43,18,624	43,18,624	9.19	11.67
viii) Sheetal Dugar	44,29,145	44,29,145	9.42	11.97
ix) Ramesh Chandra Bardia	11,09,089	19,09,089	2.36	5.16
x) Statefield Trade Link Pvt Ltd	18,69,425	18,69,425	3.98	5.05

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 2 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	27,50,271		41,87,637	
Add: Adjustment for Sale of old Assets	-		-	
	27,50,271		41,87,637	
Less : Transferred to Depreciation Account	42,958	27,07,313	14,37,366	27,50,271
<b>Securities Premium Account</b>				
As per last Balance Sheet	73,00,00,000		73,00,00,000	
Add: Premium on Shares issued during the year	1,15,00,00,000	1,88,00,00,000	-	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	4,16,65,74,968		2,92,88,97,632	
Add: Profit after tax earned during the period	1,59,67,08,531		1,28,22,09,665	
Less: Proposed Dividend	2,35,00,000		3,70,00,000	
Less: Dividend Distribution Tax	47,84,031		75,32,329	
Add: Adjustment for previous year	1,34,505	5,73,51,33,973	-	4,16,65,74,968
		<b>7,61,93,44,527</b>		<b>4,90,08,28,480</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 3 LONG TERM BORROWINGS</b>				
(i) Term Loan				
<b>Secured</b>				
From Banks		40,47,91,964		29,36,22,065
From Others (IRD. Govt. of W.B)		5,54,84,361		6,04,84,361
<b>Unsecured</b>				
From Banks		33,32,00,000		-
From Others		2,47,24,63,768		2,10,00,00,000
(ii) Car Loan				
<b>Secured</b>				
From Banks		4,07,020		20,21,016
(iii) Other Loans & Advances		2,28,42,29,974		1,26,82,92,314
		<b>5,55,05,77,087</b>		<b>3,72,44,19,756</b>

**NOTE - 3.1**

- 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 Directors of the Company.
- Term Loans from Punjab National Bank & Oriental Bank of Commerce are Repayable over 44 Quarterly Installments commencing from the quarter ending October 2012 and bears an Interest rate of BR + 2.5% from PNB & BR + 2.25% from OBC.
- The Term Loan under Equipment Finance arrangement is repayable in 10 quarterly installments starting from Quarter ending Sep, 14.
- 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 31st 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.
- Vehicle loans are secured by way of mortgage of vehicles. The loans are repayable by 2017-18.
- Term Loan from Karur Vysya Bank is secured by way of creation of Mortgage on the commercial space being purchased by the company. The loans are further secured by personal guarantees of some of the Directors of the Company. The loan is repayable in 19 quarterly instalments commencing from quarter ending March, 16 and bears an interest rate of BR + 2.25%.
- Other Loans & Advances includes advances from parties.
- Unsecured Term Loan from banks (to the tune of ₹ 50 crores) was taken during the year, its repayment is starting from the quarter ending June, 2016-2017 and bears an interest rate of BR + 2.30%.
- Unsecured Term Loan from others (to the tune of ₹ 300 crores) was taken during the year, its repayment is starting from the quarter ending June 2016-2017 and bears an interest rate of BR + 3.00%.

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 4 DEFERRED TAX LIABILITIES (NET)</b>				
Opening Balance	14,66,61,618		12,42,11,411	
Add - Adjustment for current year	68,41,24,460	83,07,86,078	2,24,50,206	14,66,61,618
Add - Adjustment for previous years		45,93,71,954		-
<b>Closing Balance</b>		<b>1,29,01,58,032</b>		<b>14,66,61,618</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 5 OTHER LONG TERM LIABILITIES</b>				
Trade Payables (payable beyond 12 months)		48,29,85,462		57,33,14,877
Other Liabilities		96,31,025		39,35,904
		<b>49,26,16,487</b>		<b>57,72,50,781</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 6 SHORT TERM BORROWINGS</b>				
i) Working Capital Loan - Secured				
From Banks - repayable on demand		7,69,00,89,854		6,05,22,14,422
ii) Other Loans & Advances		1,56,34,56,715		63,29,61,982
		<b>9,25,35,46,569</b>		<b>6,68,51,76,404</b>

**NOTE - 6.1**

Working Capital Facilities are secured by way of :

- Hypothecation on Pari Passu basis with the Working Capital Banks of the Company on the entire Stock in Trade, Book Debts and any other current assets of the company, both present and future.
- 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 OBC's share on Solar Power equipments and equipment purchased through equipment Loan present and future.
- Personal guarantees of some of the Directors of the Company.

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 7 TRADE PAYABLES</b>				
Sundry Creditors for goods & expenses		12,16,84,66,339		12,13,73,53,359
		<b>12,16,84,66,339</b>		<b>12,13,73,53,359</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 8 OTHER CURRENT LIABILITIES</b>				
i) Current maturities of long-term debt:				
Term Loan (Amount to be paid in one year) - Principal	82,04,56,662		50,87,71,215	
Car Loan (Amount to be paid in one year)	16,13,995	82,20,70,657	14,20,436	51,01,91,651
ii) Unpaid Dividend		3,61,320		3,17,488
iii) Interest Accrued but not paid		4,45,19,834		2,98,39,108
iv) Other Liabilities		53,62,09,661		19,35,99,966
		<b>1,40,31,61,472</b>		<b>73,39,48,213</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 9 SHORT TERM PROVISIONS</b>				
Provision for Income Tax (Net of advance tax)		37,91,921		62,19,14,800
Provision for Proposed Dividend		2,35,00,000		3,70,00,000
Provision for Dividend Distribution Tax		47,84,031		75,32,329
Other Provision *		1,69,22,721		2,29,38,624
		<b>4,89,98,673</b>		<b>68,93,85,753</b>

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

(₹)

Particular of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Gross Block as on 01.04.2015	Addition during the year	Sale/Adjustments during the year	Gross Block as on 31.03.2016	Accumulated Depreciation upto 01.04.2015	Depreciation during the year	Deduction / Adjustment during the year	Accumulated Depreciation upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>TANGIBLE ASSETS (A)</b>										
FREEHOLD LAND	34,50,280	-	-	34,50,280	-	-	-	-	34,50,280	34,50,280
BUILDING & STRUCTURES	9,33,11,669	32,53,577	-	9,65,65,246	2,72,36,099	58,08,588		3,30,44,687	6,35,20,559	6,60,75,570
PLANT & MACHINERY	2,38,98,21,863	1,07,01,537		2,40,05,23,400	67,18,07,032	15,59,95,296		82,78,02,328	1,57,27,21,072	1,71,80,14,831
VEHICLES	2,18,08,722	38,14,675	-	2,56,23,397	1,00,26,155	20,95,739		1,21,21,894	1,35,01,503	1,17,82,567
FURNITURE, FIXTURE & EQUIPMENT & COMPUTER	6,53,48,571	75,60,081		7,29,08,652	4,16,99,895	1,07,81,639		5,24,81,534	2,04,27,118	2,36,48,676
<b>TOTAL (A)</b>	<b>2,57,37,41,105</b>	<b>2,53,29,870</b>	<b>-</b>	<b>2,59,90,70,975</b>	<b>75,07,69,181</b>	<b>17,46,81,262</b>	<b>-</b>	<b>92,54,50,443</b>	<b>1,67,36,20,532</b>	<b>1,82,29,71,924</b>
<b>INTANGIBLE ASSETS (B)</b>										
COMPUTER SOFTWARE, LICENCES FOR SOFTWARE	71,63,218	15,38,921	-	87,02,139	27,00,527	8,70,214		35,70,741	51,31,398	44,62,691
<b>TOTAL (A+B)</b>	<b>2,58,09,04,323</b>	<b>2,68,68,791</b>	<b>-</b>	<b>2,60,77,73,114</b>	<b>75,34,69,708</b>	<b>17,55,51,476</b>	<b>-</b>	<b>92,90,21,184</b>	<b>1,67,87,51,930</b>	<b>1,82,74,34,615</b>
PREVIOUS YEAR	2,54,11,43,999	3,97,86,948	26,624	2,58,09,04,323	58,34,76,736	16,99,92,972	-	75,34,69,708	1,82,74,34,615	

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 11</b> <b>NON CURRENT INVESTMENTS</b>				
Unquoted at Cost				
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 Logistics Ltd.at cost	5,00,000		5,00,000	
2,500 (P.Y: 2,500) Shares of ₹ 10/- each fully paid in EMC Infrastructure Ltd.at cost	25,000		25,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid in EMC Forging Ltd.at cost	5,00,000		5,00,000	
1,30,00,000 (P.Y: 1,30,00,000) Shares of ₹ 10/- each fully paid in EMC Tower Ltd.at cost	13,00,00,000		13,00,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid in EMC Solar Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ₹ 10/- each fully paid in EMC Academy Ltd.at cost	5,00,000		5,00,000	
15,00,000 (P.Y: 15,00,000) Shares of ₹ 10/- each fully paid-up in EMC Overseas Ltd.at cost	1,50,00,000		1,50,00,000	
6,00,000 (P.Y: 6,00,000 ) Shares of ₹ 10/- each fully paid-up in Quatro Rail Tech Solutions Ltd. (Formerly named as Quatro Rail Tech Solutions Pvt Ltd)	60,00,000		60,00,000	
Investment in BCPL - EMC - JV	2,45,000	15,47,70,000	2,45,000	15,47,70,000
Quoted at Cost				
3,878 (P.Y: 3,878)Shares of ₹ 10/- each fully paid-up in Powergrid Corporation of India Ltd. (Market Value - ₹ 5,39,430, (PY ₹ 5,63,280)		3,49,020		3,49,020
1,42,87,689 Shares of ₹ 10/- each fully paid in MCNALLY Bharat Engineering Ltd (17,00,000 Shares out of 1,42,87,689 are pledge against a value of Rs 12,21,45,000) (Market Value - ₹ 1,08,58,64,364)		1,42,87,68,900		-
Foreign Subsidiary/Associates/Joint Ventures				
4,900 (P.Y: 4,900) shares of Advanced Steel & Crane Inc.		11,05,85,000		11,05,85,000
22,500 (P.Y: 22,500) Shares of Euro 1/- each fully paid up in CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH)		12,51,90,000		12,51,90,000
70% Quota of Tecnolines S.R.L		29,01,54,960		29,01,54,960
1,850 (PY : 1,850) shares of AED 1000/- each fully paid in EMC West ASIA DMCC		3,03,99,775		3,03,99,775
1,000 (PY : 1,000) shares of Singapore \$1/- each, subscribed in Technolines Singapore PTE Ltd		49,231		49,231
87,500 shares of OMR 1/ each fully paid up in EMC MBE Contracting Co. LLC		1,51,97,000		-
1,800 Shares of SAR 1,000/- each, fully paid up in EMC Saudi LLC		3,24,99,000		-
51,000 (P.Y: 51,000) shares of HK \$1/- each, fully paid up in EMC East Asia Ltd.		4,05,545		4,05,545
		<b>2,18,83,68,431</b>		<b>71,19,03,531</b>
<b>NOTE - 12</b> <b>LONG TERM LOANS &amp; ADVANCES</b>				
(Unsecured, Considered Good)				
i) Advance Sales Tax	13,08,96,300	13,08,96,300	9,68,82,222	9,68,82,222
		<b>13,08,96,300</b>		<b>9,68,82,222</b>



(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 13 OTHER NON-CURRENT ASSETS</b>				
(Unsecured, Considered Good)				
i) Trade Receivables				
Debtors over six months	3,27,42,207		3,27,42,207	
Less: Provision for Doubtful Debts	-		-	
Sub Total	3,27,42,207		3,27,42,207	
Debtors less than six months	22,66,27,196		17,72,16,346	
ii) Security deposits (Maturing beyond 12 months)	10,59,64,029		8,10,66,242	
iii) Prepaid Expenses	6,43,34,648		2,68,96,917	
		42,96,68,080		31,79,21,712
		<b>42,96,68,080</b>		<b>31,79,21,712</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 14 INVENTORIES</b>				
Raw Materials		4,55,42,961		9,68,59,258
Stores, Loose Tools And Spares		11,49,61,142		11,55,11,961
Semi Finished Goods and Work in Progress		7,39,49,791		12,06,57,193
Finished Goods		41,03,91,677		44,57,43,845
Erection Material at Site		51,35,13,878		41,36,90,263
Construction work in Progress		18,67,83,863		18,67,83,863
Scrap		37,04,567		57,43,617
		<b>1,34,88,47,878</b>		<b>1,38,49,90,001</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 15 TRADE RECEIVABLES</b>				
(Unsecured, Considered Good)				
Debtors over six months (realisable within 12 months)	3,01,11,45,924		1,28,09,86,863	
Debtors less than six months	14,57,96,92,969		14,13,74,66,120	
		<b>17,59,08,38,893</b>		<b>15,41,84,52,983</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 16 CASH &amp; CASH EQUIVALENTS</b>				
(i) Balances with Scheduled Banks :				
a) In Current Accounts	3,33,88,715		2,29,95,215	
b) In Fixed Deposit and Margin Accounts	1,34,06,77,433		96,15,29,038	
c) In Dividend Account	3,62,030		3,18,198	
	1,37,44,28,178		98,48,42,452	
(ii) Cash in Hand	5,58,98,568	1,43,03,26,747	2,47,07,239	1,00,95,49,690
[Includes Cheque in hand - ₹ 2,62,96,050 (PY - ₹ 1,35,22,000)]		<b>1,43,03,26,747</b>		<b>1,00,95,49,690</b>

# Fixed Deposit includes ₹ 1,33,59,70,285 (₹ 94,32,73,758) towards Margin Money against non-fund based facilities from banks.

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 17</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good)				
i) Advance to Related Parties	35,60,52,605		13,93,68,988	
ii) Advance Statutory Payments	1,11,83,442		5,06,24,871	
iii) Advances to Employees	1,62,63,952		1,02,27,077	
iii) Advances to Suppliers/others	12,75,02,62,514	13,13,37,62,513	9,95,94,27,866	10,15,96,48,801
		<b>13,13,37,62,513</b>		<b>10,15,96,48,801</b>

**Notes :-**

## a) Loans &amp; Advances

Debts due by Directors or other officers of the Company or from a Private Company in which Director of the Company is a Director / Member :

## i) Private Companies

-

-

## ii) Subsidiary Company

35,60,52,605

13,93,68,988

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 18</b>	<b>OTHER CURRENT ASSETS</b>			
i) Security Deposits	6,29,95,901		5,88,50,661	
ii) Prepaid Expenses & Others	30,02,12,296		22,31,08,217	
		36,32,08,197		28,19,58,878
		<b>36,32,08,197</b>		<b>28,19,58,878</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 19</b>	<b>INCOME FROM OPERATIONS</b>			
a) Sale of Products				
b) Sale of Services	37,40,10,88,095		33,05,71,98,192	
c) Other Operating Revenue	4,14,18,01,008		2,94,71,50,938	
	1,68,23,335		6,47,46,874	
	41,55,97,12,438		36,06,90,96,004	
Less: Duties & Taxes	(34,88,54,634)	41,21,08,57,804	(24,23,29,445)	35,82,67,66,559
		<b>41,21,08,57,804</b>		<b>35,82,67,66,559</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 20</b>	<b>OTHER INCOME</b>			
Interest	11,50,43,182		10,01,78,048	
Miscellaneous Income	2,77,38,097	14,27,81,279	3,75,02,577	13,76,80,625
		<b>14,27,81,279</b>		<b>13,76,80,625</b>

(₹)

Particulars	NOTE - 21 MATERIAL CONSUMED									
	Opening Stock		Goods Purchased		Consumption		Closing Stock			
	As at 1st April, 2015	As at 1st April, 2014	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015		
<b>Raw Materials (A)</b>										
Steel	7,13,75,774	4,28,29,945	48,20,63,919	47,06,59,204	51,49,91,933	44,21,13,375	3,84,47,760	7,13,75,774		
Aluminium	2,02,23,962	67,95,684	86,95,260	3,07,44,239	2,35,22,331	1,73,15,960	53,96,891	2,02,23,962		
Zinc	44,19,803	32,65,563	8,59,65,318	7,64,49,328	8,94,63,360	7,52,95,089	9,21,761	44,19,803		
Other Materials	8,39,719	3,59,919	46,85,416	43,73,697	47,48,586	38,93,897	7,76,549	8,39,719		
<b>Total (A)</b>	<b>9,68,59,258</b>	<b>5,32,51,111</b>	<b>58,14,09,913</b>	<b>58,22,26,469</b>	<b>63,27,26,210</b>	<b>53,86,18,322</b>	<b>4,55,42,961</b>	<b>9,68,59,258</b>		
<b>Store, Tools &amp; Spares (B)</b>										
Stores & Spares	11,55,11,961	12,76,92,058	4,77,11,542	6,60,12,459	4,82,62,361	7,81,92,555	11,49,61,142	11,55,11,961		
<b>Total (B)</b>	<b>11,55,11,961</b>	<b>12,76,92,058</b>	<b>4,77,11,542</b>	<b>6,60,12,459</b>	<b>4,82,62,361</b>	<b>7,81,92,555</b>	<b>11,49,61,142</b>	<b>11,55,11,961</b>		
<b>Erection Materials (C)</b>										
Erection & Concreting Material	60,04,74,126	70,55,62,266	32,41,52,177	38,81,34,782	41,11,12,426	49,32,22,922	51,35,13,878	60,04,74,126		
<b>Total (C)</b>	<b>60,04,74,126</b>	<b>70,55,62,266</b>	<b>32,41,52,177</b>	<b>38,81,34,782</b>	<b>41,11,12,426</b>	<b>49,32,22,922</b>	<b>51,35,13,878</b>	<b>60,04,74,126</b>		
<b>Other Materials (D)</b>										
Project Purchases	-	-	29,76,67,20,349	27,03,35,29,698	29,76,67,20,349	27,03,35,29,698	-	-		
<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>29,76,67,20,349</b>	<b>27,03,35,29,698</b>	<b>29,76,67,20,349</b>	<b>27,03,35,29,698</b>	<b>-</b>	<b>-</b>		
<b>Grand Total</b>	<b>81,28,45,346</b>	<b>88,65,05,435</b>	<b>30,71,99,93,981</b>	<b>28,06,99,03,407</b>	<b>30,85,88,21,346</b>	<b>28,14,35,63,496</b>	<b>67,40,17,981</b>	<b>81,28,45,346</b>		

**NOTE - 21.1****VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED**

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
Imported	2,18,76,10,265	7.09	2,22,38,93,807	7.90
Indigenously obtained:				
Raw Materials	28,62,29,48,720	92.75	25,84,14,77,133	91.82
Stores, Spare Parts & Components	4,82,62,361	0.16	7,81,92,555	0.28
	<b>30,85,88,21,346</b>	<b>100</b>	<b>28,14,35,63,496</b>	<b>100</b>

(₹)

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 22 CHANGES IN INVENTORIES</b>				
<b>OPENING STOCK :</b>				
Finished Goods	44,57,43,845		24,79,62,628	
Semi Finished Goods and Work in Progress	12,06,57,193		6,00,89,389	
Scrap Materials	57,43,617	57,21,44,655	22,43,148	31,02,95,165
<b>CLOSING STOCK :</b>				
Finished Goods	41,03,91,677		44,57,43,845	
Semi Finished Goods and Work in Progress	7,39,49,791		12,06,57,193	
Scrap Materials	37,04,567	48,80,46,034	57,43,617	57,21,44,655
<b>INCREASE (-) / DECREASE (+)</b>		<b>8,40,98,621</b>		<b>(26,18,49,490)</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 23 EMPLOYEE BENEFIT EXPENSES</b>				
(a) Salary, Wages and Bonus		69,63,79,734		70,67,87,624
(b) Contribution to Provident and Other Funds		2,58,02,114		2,14,84,654
(c) Workmen & Staff Welfare Expenses		1,43,34,578		1,41,08,683
(d) Directors' Remuneration		3,17,58,390		2,43,91,462
		<b>76,82,74,815</b>		<b>76,67,72,423</b>

**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.

	2015-16		2014-15	
1) Change in Defined Benefit Obligation :				
Defined Benefit Obligation at the beginning of the year		3,28,80,998		2,94,17,782
Interest Cost		25,58,142		26,47,600
Current Service Cost		43,87,650		41,75,062
Benefits Paid		(58,99,604)		(32,85,648)
Actuarial Gain / (Loss) on Obligation		9,55,963		(73,798)
Present Value of obligation as at the end of the year		3,48,83,149		3,28,80,998
2) Change in Fair Value of the Asset				
Fair Value of the plan assets at the beginning of the year		2,89,45,094		2,97,50,820
Expected returns on plan assets		25,32,696		26,03,197
Contributions		-		21,273
Benefits paid		(58,99,604)		(32,85,648)
Actuarial Gain / (Loss) on plan assets		(3,26,062)		(1,44,548)
Fair Value of Plan assets at the end of the year		2,52,52,124		2,89,45,094
3) Net Asset/(Liability) recognised in the Balance Sheet				
Fair Value of the Plan Assets		2,52,52,124		2,89,45,094
Present Value of the obligation as at the end of the year		3,48,83,149		3,28,80,998
Amount recognized in Balance Sheet		(96,31,025)		(39,35,904)
4) Expenses recognised during the year				
(under the head contribution to provident fund and other funds)				
Current Service Cost		43,87,650		41,75,062
Interest Cost		25,58,142		26,47,600
Expected Return from Plan Asset		(25,32,696)		(26,03,197)
Net Actuarial Gain/(Loss) recognized in the year		12,82,025		70,750
Expenses recognised in the statement of Profit and Loss		56,95,121		42,90,215

(₹)

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>NOTE - 24 FINANCE COSTS</b>		
Interest on Term Loan	51,92,07,472	23,28,43,540
Interest on Others	1,33,73,10,259	96,36,03,889
	<b>1,85,65,17,732</b>	<b>1,19,64,47,429</b>

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>NOTE - 25 DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation for the Period	17,55,51,476	16,99,92,972
Less: Transfer to Revaluation Reserve	42,958	14,37,366
	<b>17,55,08,518</b>	<b>16,85,55,606</b>

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>NOTE - 26 OTHER EXPENSES</b>		
Processing / Job Charges	2,85,88,62,984	1,43,08,75,310
Freight, Carriage & Transport	35,03,38,103	52,28,30,051
Power & Fuel	3,92,85,888	4,18,02,847
Rent	7,23,71,741	6,89,21,724
Insurance	8,53,75,812	5,98,36,807
Repairs & Renewals:		
Plant & Machinery	40,46,639	39,43,634
Building	7,63,685	7,07,870
Others	67,29,980	1,15,16,228
Hire Charges	7,18,50,647	8,11,94,788
Travelling & Conveyance	4,83,24,858	4,16,72,330
Auditors Remuneration:		
Audit Fees	25,00,000	25,00,000
Internal Audit Fees	2,02,000	98,200
Tax Audit	50,000	50,000
Custom Duty	64,09,265	74,28,466
Excise Duty	1,69,22,721	3,59,63,029
Rates & Taxes	11,80,45,278	6,50,28,304
Communication Expenses	1,63,85,825	94,77,638
Bank Commission and Charges	1,31,51,74,743	1,14,95,84,621
Miscellaneous Expenses (A)	19,05,49,491	32,25,53,114
Translation Loss	(1,39,59,932)	3,37,83,695
Loss on Contract Performance	16,76,601	4,46,800
	<b>5,19,19,06,329</b>	<b>3,88,55,63,952</b>
<b>(A) Miscellaneous Expenses</b>		
Legal Charges, Listing & Filing Fees	1,20,96,632	26,72,561
Sales Promotion & Advertisement Expenses	62,22,198	44,11,205
Testing Charges	95,00,258	73,83,327
Computer/R&D Charges	21,57,501	14,60,354
Entertainment Expenses	27,50,729	25,46,336
General Charges	93,30,140	90,27,731
Office Up-Keep	73,42,324	66,68,765
Printing & Stationery	64,28,591	54,22,135
Subscription & Donation	5,23,150	1,59,714
Professional fees & Service Charges	11,73,84,987	27,44,21,342
Motor Car Expenses	5,62,379	5,54,823
Mobilisation Expenses	99,85,578	15,66,817
Tender Fees	20,98,916	30,08,631
Others	24,47,780	11,79,892
Rebate	15,39,779	18,70,248
Recruitment Expenses	1,78,550	1,99,232
	<b>19,05,49,491</b>	<b>32,25,53,114</b>



(₹)

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 26.1 EXPENDITURE IN FOREIGN CURRENCY</b>				
Tour Expenses		75,90,718		47,02,120
Others		1,97,30,105		5,57,81,344
		<b>2,73,20,823</b>		<b>6,04,83,464</b>

	31st March 2016		31st March 2015	
<b>NOTE - 27 EARNINGS PER SHARE (EPS)</b>				
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹)		1,59,67,08,531		1,28,22,09,665
ii) Weighted Average number of equity shares used as denominator for calculating EPS		4,54,93,151		3,70,00,000
iii) Basic and Diluted Earnings per share (₹)		35.10		34.65
iv) Face Value per Equity Share (₹)		10.00		10.00

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>NOTE - 28 EARNINGS IN FOREIGN EXCHANGE</b>				
FOB Value of Exports		22,202.76		22,593.06

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>NOTE - 29.1 CONTINGENT LIABILITIES</b>				
i. Guarantees given by Company's Bankers on behalf of the Company.		1,91,019.46		1,19,660.83
ii. Claims against the Company not acknowledged as debts:				
a) Sales Tax		1,439.76		1,496.08
b) Service Tax		333.08		333.08
iii. Corporate Guarantees given by Company		11,603.78		6,481.85

However as per management perception, the above liabilities will not devolve upon the company in future.

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>NOTE - 29.2 CAPITAL COMMITMENTS</b>				
Estimated value of contracts in capital account remaining to be executed		700.05		1909.94

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>NOTE - 30 SEGEMENT REPORTING AS PER AS - 17</b>				
<b>Segment Revenue:</b>				
Project Construction Division		3,79,561.39		3,30,482.61
Tower Manufacturing Division		8,926.66		3,441.84
Aluminium Extrusion, Forging & Conductor Division		615.41		819.85
Solar Power Division		937.80		921.89
Others		22,067.32		22,601.48
<b>Segment Total</b>		<b>4,12,108.58</b>		<b>3,58,267.67</b>

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>Segment Results:</b>				
Project Construction Division		43,133.31		34,105.01
Tower Manufacturing Division		396.20		50.43
Aluminium Extrusion, Forging & Conductor Division		5.69		22.50
Solar Power Division		603.04		631.72
<b>Segment Total</b>		<b>44,138.24</b>		<b>34,809.66</b>
Unallocated income over expenses		(1,387.95)		(2,191.25)
Profit Before Interest & Tax		42,750.29		32,618.41
Interest		18,565.18		11,964.47
Provision for Current Year Tax		8,218.03		7,831.84
<b>Profit after Current Year Tax</b>		<b>15,967.09</b>		<b>12,822.09</b>

Amount (₹ in lacs)

	Assets		Liabilities	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
<b>NOTE - 30 SEGEMENT REPORTING AS PER AS - 17</b>				
<b>SEGMENT ASSETS &amp; LIABILITIES</b>				
Project Construction Division	3,09,130.57	2,63,336.15	1,69,094.77	1,45,441.91
Tower Manufacturing Division	23,396.21	17,078.44	1,241.07	756.38
Aluminium Extrusion, Forging & Conductor Division	738.80	1,170.70	186.87	146.75
Solar Power Division	6,205.50	6,852.25	-	3.56
Unallocated Assets & Liabilities	43,497.61	23,712.70	77,235.82	62,870.68
<b>Segment Assets &amp; Liabilities:</b>	<b>3,82,968.69</b>	<b>3,12,150.24</b>	<b>2,47,758.53</b>	<b>2,09,219.28</b>

**NOTE - 31 RELATED PARTY DISCLOSURE AS PER AS - 18**

Amount (₹ in lacs)

Name	Relation	Particulars	Net Transaction During the year	Balance as on 31.03.2016
EMC Hardware Ltd	100% Subsidiary	Investment	NIL	15.00
		Advance	0.26	4.11
		Interest	0.28	-
EMC Tower Ltd	100% Subsidiary	Investment	-	1,300.00
		Advance	336.62	646.37
		Interest	34.37	-
EMC Solar Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	0.18	(2.04)
		Interest	(0.15)	-
EMC Forging Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	0.28	(1.78)
		Interest	(0.14)	-
EMC Logistic Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	0.31	(2.01)
		Interest	(0.15)	-
EMC Overseas Ltd.	100% Subsidiary	Investment	NIL	150.00
		Advance	1.39	(132.39)
		Interest	(9.43)	-
EMC Academy Ltd.	100% Subsidiary	Investment	NIL	5.00
		Advance	2.28	112.76
		Interest	7.97	-

Amount (₹ in lacs)

Name	Relation	Particulars	Net Transaction During the year	Balance as on 31.03.2016
Advanced Steel & Crane Inc.	100% Subsidiary	Investment	-	1,105.85
Tecnolines S.r.l	70% Subsidiary	Investment	-	2,901.55
		Advance	489.89	489.89
EMC West Asia DMCC	100% Subsidiary	Investment	-	303.99
		Advance	158.40	167.01
		Interest	8.61	-
BCPL - EMC Joint Venture	Joint Venture	Investment	-	2.45
		Sales	234.29	442.40
		Advance	(4.91)	-
EMC - BCPL Joint Venture	Joint Venture	Sales	17.86	72.37
EMC - BCPL Subir Joint Venture	Joint Venture	Investment	-	-
		Sales	2,113.60	526.68
		Advance	(6.68)	-
Quatro Rail Tech Solutions Ltd. (Formerly named as Quatro Rail Tech Solutions Pvt Ltd)	60% Subsidiary	Investment	-	60.00
		Advance	111.31	115.77
		Interest	4.46	-
EMC MBE Contracting Co. LLC	Joint Venture	Investment	151.97	151.97
EMC Saudi LLC	60 % Subsidiary	Investment	324.99	324.99
Fedders - EMC - Quatro JV	Joint Venture	Sales	842.19	(201.55)
		Advance	1.33	1.33
EMC East Asia Ltd	100% Subsidiary	Investment	-	4.06
		Advance	(2,646.97)	(2,646.47)
Tecnolines Singapore PTE Ltd.	100% Subsidiary	Investment	-	0.49
		Advance	0.04	0.36
CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH)	90% Subsidiary	Investment	-	1,251.90
		Advance	749.70	2,022.92
		Interest	273.40	-
Mr. Manoj Toshniwal	Key Managerial Personnel	Salary	134.32	NIL
		Advance	(50.00)	(50.00)
Mr. Ramesh Ch.Bardia	Key Managerial Personnel	Salary	134.47	NIL
Mr. Nikunj Toshniwal	Relative of Key Managerial Personnel	Salary	27.16	NIL
Mr. Siddhartha Bardia	Relative of Key Managerial Personnel	Salary	17.17	NIL

\*\* Figures in Brackets indicate amounts payable to related parties

Amount (₹ in lacs)

	As at 31.03.16	As at 31.03.15
<b>NOTE - 32 FINANCIAL HEDGING INSTRUMENTS</b>		
For hedging Currency Related Risks		
- Forward Contracts - Outstanding Nominal Value	1,726.38	1,597.96

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

**NOTE - 33****Note-33: Significant Accounting Policies forming part of Company's Balance Sheet and Statement of Profit & Loss as at and for the year ended 31st March 2016****A) SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation**

The financial statements are prepared under the Historical cost convention as on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

**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 recognised 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 amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised 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 recognised as income or expense for the year.

**vi) Depreciation**

a) Depreciation on all Fixed Assets are calculated under Straight Line Method at the rates specified in Schedule II to the Companies Act, 2013

b) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

c) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 10 years, as estimated at the time of capitalisation.

**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 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 Statement of Profit & Loss.

**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.

**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.

**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.

Excise Duty pertaining to Sales is shown as a deduction from Revenue and is included in the amount disclosed under Duties & Taxes (Note-19)

**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 recognised 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 realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised 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.

Retention Money from Contractual revenue is offered to tax in the year of realisation. However deferred tax liability is being created in the year of accrual of such income.

**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

Resulting from the nature of business of the Company, bills relating to price variation ,excess supplies and extra works etc. are raised by the Company on the basis of the terms of the 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. As such only those bills which are acceptable by the customers are accounted for in the books of accounts.

## xvii) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

As per our Report of even date attached

For **SRB & Associates**

*Chartered Accountants*

Firm Regn No 310009E

**Sanjeet Patra**

*Partner*

Membership No. - 056121

Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**

*Managing Director*

**Ramesh Chandra Bardia**

*Jt. Managing Director*

**Yamini More**

*VP (Finance & Accounts)*

**Arun Kumar Kedia**

*Chief Financial Officer*

**Sumit Kumar Surana**

*Company Secretary*

# Consolidated Financial Statements

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To the members of  
EMC Limited

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **EMC Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group") its comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

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

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### OTHER MATTERS

- (a) We did not audit the financial statements / financial information of eleven subsidiaries, whose financial statements / financial information reflect total assets of Rs. 6,46,30,02,902 as at 31st March, 2016, total revenues of Rs. 8,46,09,68,457 and net cash flows amounting to Rs. 28,31,94,755 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- (b) Consolidated financial statements and other financial information includes the Company's proportionate share in four jointly controlled companies total assets of Rs.23,43,27,502 as at 31st March, 2016, total revenues of Rs. 66,21,44,406 and net cash flows amounting to Rs. 3,34,22,789 for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management.
- (c) The financial statements/financial information of one Jointly Controlled Company out of five Jointly Controlled Companies have not been audited by any auditors whose reports have been furnished to us by the management. The financial statements/ financial information reflect total assets of Rs. 4,29,83,496 as at 31st March, 2016 for the year ended on that date, as considered in the consolidated financial statements.
- (d) The financial statements/financial information of four subsidiaries out of fifteen subsidiaries have not been audited by any auditors whose reports have been furnished to us by the management. The financial statements / financial information reflect total assets of Rs. 3,30,50,73,583 as at 31st March, 2016, total revenues of Rs. 2,50,73,56,801 and net cash flows amounting to Rs. 6,04,10,480/- for the year ended on that date, as considered in the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors and the financial statement/ financial information certified by the management.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A'**;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note-29 on Consolidated Financial statements).
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **SRB & Associates**  
Chartered Accountants  
Firm Registration: No-310009E

Kolkata  
31st August 2016

**Sanjeet Patra**  
Partner  
Membership No: 056121

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of EMC Limited ("the Holding Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the 'Guidance Note') and the standards on auditing (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the guidance note issued by the Institute of Chartered Accountant of India.



**OTHER MATTERS**

Our aforesaid report under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the Internal Financial Control Over Financial Reporting insofar as it relates to 8 Subsidiary Companies & 4 Joint Ventures, which are companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **SRB & Associates**  
*Chartered Accountants*  
Firm Registration: No-310009E

Kolkata  
31st August 2016

**Sanjeet Patra**  
*Partner*  
Membership No: 056121

(₹)

	Note No.	As at 31.03.2016		As at 31.03.2015	
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>1 SHAREHOLDER'S FUNDS</b>					
a) Share capital	1	47,00,00,000		37,00,00,000	
b) Share application Money		-		1,25,00,00,000	
c) Reserves & Surplus	2	8,39,46,75,009	8,86,46,75,009	5,11,67,79,810	6,73,67,79,810
<b>2 MINORITY INTEREST</b>			4,04,03,968		2,18,17,237
<b>3 NON-CURRENT LIABILITIES</b>					
a) Long term Borrowings	3	6,29,39,53,128		4,23,18,75,027	
b) Deferred Tax Liabilities (Net)	4	1,30,85,58,348		14,67,00,232	
c) Other Long term Liabilities	5	49,37,56,813	8,09,62,68,289	57,72,50,781	4,95,58,26,040
<b>4 CURRENT LIABILITIES</b>					
a) Short term borrowings	6	9,26,78,77,895		7,10,20,31,688	
b) Trade Payables	7	18,20,27,50,667		13,79,97,56,104	
c) Other current Liabilities	8	1,95,56,75,424		96,33,44,625	
d) Short term Provisions	9	5,79,12,919	29,48,42,16,905	69,22,17,933	22,55,73,50,350
			<b>46,48,55,64,172</b>		<b>34,27,17,73,437</b>
<b>II. ASSETS</b>					
<b>5 NON-CURRENT ASSETS</b>					
a) Fixed Assets :-	10				
(i) Tangible Asstes		2,53,32,08,770		2,62,56,01,612	
(ii) Intangible Assets		53,43,93,988		19,61,80,372	
(iii) Capital work-in-progress		5,52,99,513		36,48,96,499	
b) Goodwill on Consolidation		34,56,44,079		31,24,07,837	
c) Non-current Investments	11	1,42,91,42,920		3,74,020	
d) Long term Loans & Advances	12	34,71,46,979		9,68,82,222	
e) Other non-current Assets	13	43,08,21,330	5,67,56,57,579	31,90,46,962	3,91,53,89,524
<b>6 CURRENT ASSETS</b>					
a) Inventories	14	1,77,14,22,998		1,69,88,78,731	
b) Trade Receivables	15	23,77,51,86,798		16,98,87,65,110	
c) Cash and cash Equivalentents	16	1,83,15,98,294		1,22,69,85,664	
d) Short term Loans & Advances	17	12,96,14,24,227		10,11,08,66,414	
e) Other Current Assets	18	47,02,74,276	40,80,99,06,593	33,08,87,994	30,35,63,83,912
			<b>46,48,55,64,172</b>		<b>34,27,17,73,437</b>
Significant Accounting Policies & Notes on Financial Statements	1 to 34				

As per our Report of even date attached

For **SRB & Associates**

Chartered Accountants

(Firm Regn No 310009E)

**Sanjeet Patra**

(Partner)

Membership No. - 056121

Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director**Ramesh Chandra Bardia**  
Jt. Managing Director**Yamini More**  
VP (Finance & Accounts)**Arun Kumar Kedia**  
Chief Financial Officer**Sumit Kumar Surana**  
Company Secretary

(₹)

	Note No.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>I. INCOME</b>			
Revenue From Operations	19	51,75,97,12,923	45,15,44,18,101
Other Income	20	36,80,01,340	18,30,45,739
<b>Total</b>		<b>52,12,77,14,263</b>	<b>45,33,74,63,840</b>
<b>II EXPENDITURE</b>			
Cost of Materials Consumed	21	39,46,96,15,368	35,85,34,23,647
Change in inventories of Finished goods work-in-progress and Stock-in Trade	22	4,21,97,512	(39,76,48,160)
Employee benefits Expense	23	1,46,75,52,994	1,34,68,42,334
Finance Costs	24	1,89,63,62,446	1,23,75,46,930
Depreciation and Ammortisation	25	28,14,21,805	25,08,34,977
Other Expenses	26	6,22,65,52,912	4,84,35,47,313
<b>Total</b>		<b>49,38,37,03,037</b>	<b>43,13,45,47,040</b>
<b>Profit before Exceptional, Extraordinary items and Taxation</b>		<b>2,74,40,11,226</b>	<b>2,20,29,16,800</b>
Add/Less: Exceptional Items		-	-
<b>Profit before Extraordinary items and Taxation</b>		<b>2,74,40,11,226</b>	<b>2,20,29,16,800</b>
Add/Less: Extraordinary Items		-	-
<b>Profit before Taxation from continuing operations</b>		<b>2,74,40,11,226</b>	<b>2,20,29,16,800</b>
Tax Expenses:		-	-
- Current Tax (MAT/IT) [Includes share of Joint Venture ₹ 1,11,24,906/- (PY - ₹ 62,26,284/-)]		21,17,20,648	69,83,19,057
Tax adjustment of an earlier year		(67,47,019)	(7,581)
Interest on Income tax		-	8,11,56,762
- Deferred Tax (Expense)/Benefit-for Current Year		68,40,89,440	2,25,51,103
<b>Profit after Taxation from continuing operations for the year</b>		<b>1,85,49,48,157</b>	<b>1,40,08,97,459</b>
- Deferred Tax (Expense)/Benefit-for Earlier Years		3,16,333	-
<b>(A) Profit after Taxation from continuing operations</b>		<b>1,85,49,48,157</b>	<b>1,40,05,81,126</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) ( before adjustment for Minority Interest)</b>		<b>1,85,49,48,157</b>	<b>1,40,05,81,126</b>
Add- Share of (Profit) transferred for Minority Interest)		13,66,677	9,68,740
<b>Profit after Taxation for the period (after adjustment for Minority Interest)</b>		<b>1,85,63,14,834</b>	<b>1,40,15,49,866</b>
Earnings per Equity Share (Face Value of )	27		
- Basic		40.80	37.88
- Diluted		40.80	37.88
Significant Accounting Policies & Notes on Financial Statements	1 to 34		

As per our Report of even date attached

For **SRB & Associates**  
Chartered Accountants  
(Firm Regn No 310009E)

**Sanjeet Patra**  
(Partner)

Membership No. - 056121  
Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Yamini More**  
VP (Finance & Accounts)

**Arun Kumar Kedia**  
Chief Financial Officer

**Sumit Kumar Surana**  
Company Secretary

(₹)

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax as per Profit and Loss Account	2,74,40,11,226	2,20,29,16,800
Adjusted for:		
Depreciation/Amortisation	28,14,21,805	25,22,98,968
Interest on Fixed Deposit	(9,72,81,486)	(9,29,25,082)
Interest Expenses-Financial Cost	1,89,63,62,446	1,23,75,46,930
Profit on sale of Fixed Assets	-	-
<b>Operating Profit Before Working Capital Changes:</b>	<b>4,82,45,13,991</b>	<b>3,59,98,37,616</b>
Adjusted for (Increase -)/Decrease(+) in:		
Inventories	(7,25,44,267)	(40,35,82,661)
Sundry Debtors	(6,83,58,32,538)	(5,75,45,18,213)
Loans and Advances and other assets	(3,33,58,08,612)	(3,65,78,26,619)
Current Liabilities and Provisions	5,22,97,40,244	3,45,23,86,810
	<b>(5,01,44,45,174)</b>	<b>(6,36,35,40,684)</b>
Cash Flow From Operating Activities before Tax Payments	(18,99,31,183)	(2,76,37,03,068)
Taxes Paid	(34,54,13,545)	(72,85,48,551)
<b>Cash Flow From Operating Activities (A)</b>	<b>(53,53,44,728)</b>	<b>(3,49,22,51,619)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Asset Purchased	(21,76,88,551)	(78,70,71,327)
Proceeds from Sale of Fixed Assets		26,624
Investment	(1,42,87,68,900)	4,75,000
Sale of Current Investment	-	-
Interest on Fixed Deposit	9,72,81,486	9,29,25,082
<b>Cash Flow From Investing Activities (B)</b>	<b>(1,54,91,75,965)</b>	<b>(69,36,44,621)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	1,75,20,26,201	<b>2,63,14,88,706</b>
Increase in Capital and Reserves	31,98,60,764	1,21,72,20,284
Proceeds from Long Term Borrowings	2,55,81,41,133	1,67,91,36,525
Interest Paid	(1,89,63,62,446)	(1,23,75,46,930)
Dividend paid Including Tax	(4,45,32,329)	(4,32,88,150)
<b>Cash Flow From Financing Activities (C)</b>	<b>2,68,91,33,323</b>	<b>4,24,70,10,435</b>
Net Increase(+)/Decrease(-) in Cash and Cash Equivalents (A+B+C)	60,46,12,630	6,11,14,195
Opening Balance of Cash and Cash Equivalents	1,22,69,85,664	1,16,58,71,468
Closing Balance of Cash and Cash Equivalents	<b>1,83,15,98,293</b>	<b>1,22,69,85,663</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 **SRB & Associates**  
Chartered Accountants  
(Firm Regn No 310009E)

**Sanjeet Patra**  
(Partner)

Membership No. - 056121  
Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Yamini More**  
VP (Finance & Accounts)

**Arun Kumar Kedia**  
Chief Financial Officer

**Sumit Kumar Surana**  
Company Secretary

(₹)

		As at 31.03.2016	As at 31.03.2015
<b>NOTE - 1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	7,50,00,000 Equity Shares of ₹ 10/-each	75,00,00,000	75,00,00,000
		<b>75,00,00,000</b>	<b>75,00,00,000</b>
	<b>Issued, Subscribed and Paid-up</b>		
	4,70,00,000 Equity Shares of ₹ 10/- each fully paid-up	47,00,00,000	37,00,00,000
		<b>47,00,00,000</b>	<b>37,00,00,000</b>

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

		Number of Shares	
		As at 31.03.2016	As at 31.03.2015
	Number of shares outstanding at the beginning of the year	3,70,00,000	3,70,00,000
	Add: Arising out of shares issued during the year	1,00,00,000	
		<b>4,70,00,000</b>	<b>3,70,00,000</b>
	Less: Shares forfeited/brought back/cancelled during the year	-	-
	Number of shares outstanding at the end of the year	4,70,00,000	3,70,00,000
		<b>47,00,00,000</b>	<b>37,00,00,000</b>

Note:

Details of changes in Share Capital :-

- of the above share 4,32,51,180 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 1082 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 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Equity Shares:</b>				
i) MKN Investment Pvt. Ltd.	1,40,00,314	40,00,014	29.79	10.81
ii) YMS Finance Pvt. Ltd. (Formerly, Pyramid Sales Pvt. Ltd.)	60,40,001	60,40,001	12.85	16.32
iii) Trinetra Electronics Ltd.	24,48,528	24,48,528	5.21	6.62
iv) Tamkore Investment Pvt. Ltd.	24,00,000	24,00,000	5.11	6.49
v) Metalind Private Ltd.	28,50,000	28,50,000	6.06	7.70
vi) Subhas Impex Pvt. Ltd.	34,53,252	34,53,252	7.35	9.33
vii) Vinod Dugar	43,18,624	43,18,624	9.19	11.67
viii) Sheetal Dugar	44,29,145	44,29,145	9.42	11.97
ix) Ramesh Chandra Bardia	11,09,089	19,09,089	2.36	5.16
x) Statefield Trade Link Pvt. Ltd.	18,69,425	18,69,425	3.98	5.05



(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 2 RESERVE &amp; SURPLUS</b>				
<b>Capital Reserves</b>				
As per last Balance Sheet		32,95,617		32,95,617
<b>Exchange Fluctuation Reserve</b>				
As per last Balance Sheet	(5,60,32,526)		1,89,30,578	
Add - During the year	15,19,24,038	9,58,91,512	(7,49,63,103)	(5,60,32,526)
<b>Revaluation Reserves</b>				
As per last Balance Sheet	27,50,271		41,87,637	
Less : Transferred to Depreciation Account	42,958	27,07,313	14,37,366	27,50,271
<b>Statutory &amp; Other Reserves</b>				
As per last Balance Sheet	12,77,98,032		6,35,06,572	
Add - During the year	(1,15,67,159)	11,62,30,873	6,42,91,460	12,77,98,032
<b>Securities Premium Account</b>				
As per last Balance Sheet	73,00,00,000		73,00,00,000	
Add: Premium on Shares issued during the year	1,15,00,00,000	1,88,00,00,000	-	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	4,10,00,41,984		2,95,67,32,214	
Add: Profit after tax earned during the period	1,60,95,36,422		1,19,62,23,999	
Less - Adjustment During the year	(15,72,96,369)			
Less - Transferred to Statutory Reserve	(1,15,67,159)		83,81,899	
Less: Proposed Dividend	2,35,00,000		3,70,00,000	
Less: Dividend Distribution Tax	46,49,526	5,85,02,92,408	75,32,329	4,10,00,41,984
		<b>7,94,84,68,973</b>		<b>4,90,79,04,629</b>
Surplus Brought Forward for Joint Ventures		20,88,75,181		35,49,314
Share of Joint Venture - Note no 32.2		23,73,30,855		20,53,25,867
		<b>8,39,46,75,009</b>		<b>5,11,67,79,810</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 3 LONG TERM BORROWINGS</b>				
(i) Term Loan				
<b>Secured</b>				
From Banks		1,12,95,65,587		80,10,77,336
From Others (IRD. Govt. of W.B)		5,54,84,361		6,04,84,361
<b>Unsecured</b>				
From Banks		33,32,00,000		-
From Others		2,47,24,63,768		2,10,00,00,000
(ii) Car Loan				
<b>Secured</b>				
From Banks		4,07,020		20,21,016
(iii) Other Loans & Advances		2,30,28,32,392		1,26,82,92,314
		<b>6,29,39,53,128</b>		<b>4,23,18,75,027</b>

**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 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 ending October 2012 and bears an Interest rate of BR + 2.5% from PNB & BR + 2.25% from OBC.
- 3 The Term Loan under Equipment Finance arrangement is repayable in 10 quarterly installments starting from Quarter ending September, 2014.
- 4 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 31st 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.
- 5 Vehicle loans are secured by way of mortgage of vehicles. The loans are repayable by 2017-18.
- 6 Term Loan from Karur Vysya Bank is secured by way of creation of Mortgage on the commercial space being purchased by the company. The loans are further secured by personal guarantees of some of the Directors of the Company. The loan is repayable in 19 quarterly instalments commencing from quarter ending March'16 and bears an interest rate of BR + 2.25%
- 7 Other Loans & Advances includes advances from parties
- 8 Unsecured Term Loan from others (to the tune of ₹ 210 crores) was taken during the year, its repayment is starting from the quarter ending June 2016-2017 and bears an interest rate of BR + 3.00%
- 9 Unsecured Term Loan from banks (to the tune of ₹ 50 crores) was taken during the year, its repayment is starting from the quarter ending June 2016-2017 and bears an interest rate of BR + 2.30%
- 10 Foreign term loans related to foreign subsidiaries are secured by the guarantees given by Holding Company.

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 4 DEFERRED TAX LIABILITIES (NET)</b>				
Opening Balance	14,67,00,232		12,41,49,129	
Add - Adjustment for current year	70,24,86,162	84,91,86,394	2,25,51,103	14,67,00,232
Add - Adjustment for previous years		45,93,71,954		
<b>Closing Balance</b>		<b>1,30,85,58,348</b>		<b>14,67,00,232</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 5 OTHER LONG TERM LIABILITIES</b>				
Trade Payables (payable beyond 12 months)		48,29,85,462		57,33,14,877
Other Liabilities		1,07,71,351		39,35,904
		<b>49,37,56,813</b>		<b>57,72,50,781</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 6 SHORT TERM BORROWINGS</b>				
i) Working Capital Loan - Secured				
From Banks - repayable on demand		7,86,76,06,532		6,11,55,80,331
ii) Other Loans & Advances		1,40,02,71,363		98,64,51,357
		<b>9,26,78,77,895</b>		<b>7,10,20,31,688</b>

**NOTE - 6.1**

Working Capital Facilities are secured by way of :

- 1 Hypothecation on Pari Passu basis with the Working Capital Banks of the Company on 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 OBC's share on Solar Power equipments and equipment purchased through equipment loan present and future.
- 3 Personal guarantees of some of the Directors of the Company.

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 7 TRADE PAYABLES</b>				
Sundry Creditors for goods & expenses		18,16,30,70,573		13,74,41,14,516
		<b>18,16,30,70,573</b>		<b>13,74,41,14,516</b>
Share of Joint Venture - Note no 32.2		3,96,80,094		5,56,41,588
		<b>18,20,27,50,667</b>		<b>13,79,97,56,104</b>

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 8 OTHER CURRENT LIABILITIES</b>				
i) Current maturities of long-term debt:				
Term Loan (Amount to be paid in one year) - Principal	99,23,98,570		51,12,09,823	
Car Loan (Amount to be paid in one year)	16,13,995	99,40,12,565	14,20,436	51,26,30,259
ii) Unpaid Dividend		3,61,320		3,17,488
iii) Interest Accrued but not paid		4,45,19,834		2,98,39,108
iv) Other Liabilities		91,42,30,696		41,77,70,744
		<b>1,95,31,24,415</b>		<b>96,05,57,599</b>
Share of Joint Venture - Note no 32.2		25,51,009		27,87,026
		<b>1,95,56,75,424</b>		<b>96,33,44,625</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 9 SHORT TERM PROVISIONS</b>				
Provision for Income Tax (Net of advance tax)		55,70,857		62,37,79,449
Provision for Proposed Dividend		2,35,00,000		3,70,00,000
Provision for Dividend Distribution Tax		47,84,031		75,32,329
Other Provision *		1,82,49,622		2,36,62,526
		<b>5,21,04,510</b>		<b>69,19,74,304</b>
Share of Joint Venture - Note no 32.2		58,08,409		2,43,629
		<b>5,79,12,919</b>		<b>69,22,17,933</b>

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

(₹)

Particular of Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Gross Block as on 01.04.2015	Addition during the year	Sale/Adjustments during the year	Gross Block as on 31.03.2016	Accumulated Depreciation upto 01.04.2015	Depreciation during the year	Deduction / Adjustment during the year	Accumulated Depreciation upto 31.03.2016	As at 31.03.2016	As at 31.03.2015	
<b>TANGIBLE ASSETS (A)</b>											
FREEHOLD LAND	6,70,45,738	83,89,294	-	7,54,35,032	1,99,728	1,88,937	-	3,88,665	7,50,46,367	6,68,46,010	
BUILDING & STRUCTURES	49,41,44,038	2,31,98,759	(3,63,47,363)	55,36,90,160	12,87,03,122	2,03,90,599	(98,09,538)	15,89,03,259	39,47,86,901	36,54,40,916	
PLANT & MACHINERY	2,61,93,54,910	2,09,92,442	(2,58,05,989)	2,66,61,53,341	78,35,78,272	18,11,22,842		96,47,01,114	1,70,14,52,227	1,83,57,76,638	
VEHICLES	2,58,56,710	81,74,639	-	3,40,31,349	1,24,89,990	32,60,634		1,57,50,624	1,82,80,725	1,33,66,720	
FURNITURE, FIXTURE & EQUIPMENT & COMPUTER	55,41,11,964	1,97,97,258	(3,80,74,777)	61,19,83,999	20,99,40,636	5,21,66,331	(62,34,482)	26,83,41,449	34,36,42,550	34,41,71,328	
<b>TOTAL (A)</b>	<b>3,76,05,13,360</b>	<b>8,05,52,392</b>	<b>(10,02,28,129)</b>	<b>3,94,12,93,881</b>	<b>1,13,49,11,748</b>	<b>25,71,29,343</b>	<b>(1,60,44,020)</b>	<b>1,40,80,85,111</b>	<b>2,53,32,08,770</b>	<b>2,62,56,01,612</b>	
<b>INTANGIBLE ASSETS (B)</b>											
COMPUTER SOFTWARE, LICENCES FOR SOFTWARE	25,44,89,010	35,87,35,599	(1,03,09,603)	62,35,34,212	5,83,08,638	2,43,35,420	(64,96,166)	8,91,40,224	53,43,93,988	19,61,80,372	
<b>TOTAL (A+B)</b>	<b>4,01,50,02,370</b>	<b>43,92,87,991</b>	<b>(11,05,37,732)</b>	<b>4,56,48,28,093</b>	<b>1,19,32,20,386</b>	<b>28,14,64,763</b>	<b>(2,25,40,186)</b>	<b>1,49,72,25,335</b>	<b>3,06,76,02,758</b>	<b>2,82,17,81,984</b>	
PREVIOUS YEAR	3,43,81,81,886	64,04,33,130	6,36,12,646	4,01,50,02,370	78,91,96,452	25,22,72,343	(15,17,51,591)	1,19,32,20,386	2,82,17,81,984		

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 11 NON CURRENT INVESTMENTS</b>				
Unquoted at Cost				
2,500 (PY: 50,000) Shares of ₹ 10/- each fully paid in EMC Infrastructure Ltd. at cost	25,000		25,000	
		25,000		25,000
Quoted at Cost				
3,878 (PY: 3,878) Shares of ₹ 10/- each fully paid-up in Powergrid Corporation of India Ltd. (Market Value - ₹ 5,39,430, (PY ₹ 5,63,280)		3,49,020		3,49,020
1,42,87,689 Shares of ₹ 10/- each fully paid in McNally Bharat Engineering Ltd. (17,00,000 Shares out of 1,42,87,689 are pledge against a value of ₹ 12,21,45,000) (Market Value - ₹ 1,08,58,64,364)		1,42,87,68,900		-
		<b>1,42,91,42,920</b>		<b>3,74,020</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 12 LONG TERM LOANS &amp; ADVANCES</b>				
(Unsecured, Considered Good)				
i) Long Term Advances	21,62,50,679		-	
ii) Advance Sales Tax	13,08,96,300	34,71,46,979	9,68,82,222	9,68,82,222
		<b>34,71,46,979</b>		<b>9,68,82,222</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 13 OTHER NON-CURRENT ASSETS</b>				
(Unsecured, Considered Good)				
i) Trade Receivables				
Debtors over six months	3,27,42,207		3,27,42,207	
Less: Provision for Doubtful Debts	-		-	
Sub Total	3,27,42,207		3,27,42,207	
Debtors less than six months	22,66,27,196		17,72,16,346	
ii) Security deposits (Maturing beyond 12 months)	10,71,04,529		8,21,78,742	
iii) Prepaid Expenses	6,43,34,648		2,68,96,917	
		<b>43,08,08,580</b>		<b>31,90,34,212</b>
Share of Joint Venture - Note no 32.2		12,750		12,750
		<b>43,08,21,330</b>		<b>31,90,46,962</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 14 INVENTORIES</b>				
Raw Materials		8,54,74,688		11,09,55,618
Stores, Loose Tools And Spares		11,64,40,450		11,62,16,438
Semi Finished Goods and Work in Progress		45,51,13,876		41,97,45,086
Finished Goods		41,03,91,677		44,57,43,845
Erection Material at Site		51,35,13,878		41,36,90,263
Construction work in Progress		18,67,83,863		18,67,83,863
Scrap		37,04,567		57,43,617
		<b>1,77,14,22,998</b>		<b>1,69,88,78,731</b>

(₹)

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 15</b>	<b>TRADE RECEIVABLES</b>			
(Unsecured, Considered Good)				
Debtors over six months (realisable within 12 months)	3,01,46,91,273		1,28,19,37,330	
Debtors less than six months	20,65,07,98,550		15,61,11,95,277	
		<b>23,66,54,89,823</b>		<b>16,89,31,32,607</b>
Share of Joint Venture - Note no 32.2		10,96,96,975		9,56,32,503
		<b>23,77,51,86,798</b>		<b>16,98,87,65,110</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 16</b>	<b>CASH &amp; CASH EQUIVALENTS</b>			
(i) Balances with Scheduled Banks :				
a) In Current Accounts	39,94,59,861		21,96,18,838	
b) In Fixed Deposit and Margin Accounts	1,36,26,73,963		96,30,38,586	
c) In Dividend Account	3,62,030		3,18,198	
	1,76,24,95,854		1,18,29,75,622	
(ii) Cash in Hand [Includes Cheque in hand - ₹ 2,62,96,050 (PY - ₹ 1,35,22,000)]	5,92,03,041		2,76,39,290	
		<b>1,82,16,98,896</b>		<b>1,21,06,14,913</b>
Share of Joint Venture - Note no 32.2		98,99,398		1,63,70,751
		<b>1,83,15,98,294</b>		<b>1,22,69,85,664</b>

# Fixed Deposit includes ₹ 1,33,59,70,285 (₹ 94,32,73,758) towards Margin Money against non-fund based facilities from banks.

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 17</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good)				
i) Advance to Related Parties	34,600		5,20,789	
ii) Advance Statutory Payments	5,32,85,430		8,96,66,159	
iii) Advances to Employees	1,80,45,698		1,13,95,407	
iii) Advances to Suppliers/others	12,87,03,13,811		10,00,04,93,353	
		<b>12,94,16,79,539</b>		<b>10,10,20,75,707</b>
Share of Joint Venture - Note no 32.2		1,97,44,688		87,90,707
		<b>12,96,14,24,227</b>		<b>10,11,08,66,414</b>

	As at 31.03.2016		As at 31.03.2015	
<b>NOTE - 18</b>	<b>OTHER CURRENT ASSETS</b>			
i) Security Deposits	6,35,43,643		5,93,86,944	
ii) Prepaid Expenses & Others	40,66,21,302		27,11,02,151	
		<b>47,01,64,945</b>		<b>33,04,89,095</b>
Share of Joint Venture - Note no 32.2		1,09,331		3,98,899
		<b>47,02,74,276</b>		<b>33,08,87,994</b>



(₹)

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 19</b>	<b>INCOME FROM OPERATIONS</b>			
a) Sale of Products [Includes share of Joint Venture ₹36,27,74,734/- (PY - ₹ 37,20,40,424/-)]	46,37,14,62,405		41,26,04,92,526	
b) Sale of Services [Includes share of Joint Venture ₹ 10,37,64,331/- (PY - ₹ 1,40,01,234/-)]	5,72,87,62,029		4,08,04,77,393	
c) Other Operating Revenue	1,68,23,335		6,47,46,874	
	52,11,70,47,769		45,40,57,16,793	
Less: Duties & Taxes [Includes share of Joint Venture ₹ 84,80,212/- (PY - ₹ 89,69,247/-)]	(35,73,34,846)	51,75,97,12,923	(25,12,98,692)	45,15,44,18,101
		<b>51,75,97,12,923</b>		<b>45,15,44,18,101</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 20</b>	<b>OTHER INCOME</b>			
Interest	9,72,81,486		9,29,25,082	
Miscellaneous Income	27,06,32,550	<b>36,79,14,036</b>	9,00,34,621	<b>18,29,59,703</b>
Share of Joint Venture - Note no 32.2		87,304		86,036
		<b>36,80,01,340</b>		<b>18,30,45,739</b>

(₹)

Particulars	Opening Stock		Goods Purchased		Consumption		Closing Stock	
	As at 1st April, 2015	As at 1st April, 2014	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Raw Materials (A)</b>								
Steel	7,94,22,420	4,28,29,945	48,20,63,919	47,87,05,850	51,52,49,756	44,21,13,375	4,62,36,583	7,94,22,420
Aluminium	2,02,23,962	67,95,684	86,95,260	3,07,44,239	2,35,22,331	1,73,15,960	53,96,891	2,02,23,962
Zinc	44,19,803	32,65,563	8,59,65,318	7,64,49,328	8,94,63,360	7,52,95,089	9,21,761	44,19,803
Other Materials	8,39,719	3,59,919	41,67,43,120	62,46,82,897	41,68,06,290	62,42,03,097	7,76,549	8,39,719
<b>Total (A)</b>	<b>10,49,05,904</b>	<b>5,32,51,111</b>	<b>99,34,67,617</b>	<b>1,21,05,82,315</b>	<b>1,04,50,41,737</b>	<b>1,15,89,27,522</b>	<b>5,33,31,784</b>	<b>10,49,05,904</b>
<b>Store, Tools &amp; Spares (B)</b>								
Stores & Spares	11,62,16,438	12,76,92,058	4,86,95,286	10,38,06,217	4,84,71,274	11,52,81,836	11,64,40,450	11,62,16,438
<b>Total (B)</b>	<b>11,62,16,438</b>	<b>12,76,92,058</b>	<b>4,86,95,286</b>	<b>10,38,06,217</b>	<b>4,84,71,274</b>	<b>11,52,81,836</b>	<b>11,64,40,450</b>	<b>11,62,16,438</b>
<b>Erection Materials (C)</b>								
Erection & Concreting Material	60,04,74,126	70,55,62,266	32,41,52,177	38,81,34,782	41,11,12,426	49,32,22,922	51,35,13,878	60,04,74,126
<b>Total (C)</b>	<b>60,04,74,126</b>	<b>70,55,62,266</b>	<b>32,41,52,177</b>	<b>38,81,34,782</b>	<b>41,11,12,426</b>	<b>49,32,22,922</b>	<b>51,35,13,878</b>	<b>60,04,74,126</b>
<b>Other Materials (D)</b>								
Project Purchases	60,49,714	-	37,80,68,63,514	33,93,71,23,761	37,78,07,70,324	33,93,10,74,047	3,21,42,904	60,49,714
<b>Total (D)</b>	<b>60,49,714</b>	<b>-</b>	<b>37,80,68,63,514</b>	<b>33,93,71,23,761</b>	<b>37,78,07,70,324</b>	<b>33,93,10,74,047</b>	<b>3,21,42,904</b>	<b>60,49,714</b>
Share of Joint Venture - Note no 32.2			18,42,19,607	15,49,17,320	18,42,19,607	15,49,17,320		
<b>Grand Total</b>	<b>82,76,46,183</b>	<b>88,65,05,435</b>	<b>39,35,73,98,201</b>	<b>35,79,45,64,394</b>	<b>39,46,96,15,368</b>	<b>35,85,34,23,647</b>	<b>71,54,29,016</b>	<b>82,76,46,183</b>

(₹)

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 22 CHANGES IN INVENTORIES</b>				
<b>OPENING STOCK :</b>				
Finished Goods	44,57,43,845		24,79,62,628	
Semi Finished Goods and Work in Progress	12,06,57,193		6,00,89,389	
Scrap Materials	57,43,617	57,21,44,655	22,43,148	31,02,95,165
<b>CLOSING STOCK :</b>				
Finished Goods	41,03,91,677		44,57,43,845	
Semi Finished Goods and Work in Progress	7,39,49,791		12,06,57,193	
Scrap Materials	37,04,567		57,43,617	
Change in Inventory of Subsidiary	4,19,01,109	52,99,47,143	13,57,98,670	70,79,43,325
<b>INCREASE (-) / DECREASE (+)</b>		<b>4,21,97,512</b>		<b>(39,76,48,160)</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 23 EMPLOYEE BENEFIT EXPENSES</b>				
(a) Salary,Wages and Bonus		1,28,15,90,661		1,15,09,93,077
(b) Contribution to Provident and Other Funds		12,28,61,968		15,41,71,878
(c) Workmen & Staff Welfare Expenses		3,13,41,976		1,72,85,917
(d) Directors' Remuneration		3,17,58,390		2,43,91,462
		<b>1,46,75,52,994</b>		<b>1,34,68,42,334</b>

**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.

	2015-16		2014-15	
<b>1) Change in Defined Benefit Obligation :</b>				
Defined Benefit Obligation at the beginning of the year		3,28,80,998		2,94,17,782
Interest Cost		25,58,142		26,47,600
Current Service Cost		43,87,650		41,75,062
Benefits Paid		(58,99,604)		(32,85,648)
Actuarial Gain / (Loss) on Obligation		9,55,963		(73,798)
Present Value of obligation as at the end of the year		3,48,83,149		3,28,80,998
<b>2) Change in Fair Value of the Asset</b>				
Fair Value of the plan assets at the beginning of the year		2,89,45,094		2,97,50,820
Expected returns on plan assets		25,32,696		26,03,197
Contributions		-		21,273
Benefits paid		(58,99,604)		(32,85,648)
Actuarial Gain / (Loss) on plan assets		(3,26,062)		(1,44,548)
Fair Value of Plan assets at the end of the year		2,52,52,124		2,89,45,094
<b>3) Net Asset/(Liability) recognised in the Balance Sheet</b>				
Fair Value of the Plan Assets		2,52,52,124		2,89,45,094
Present Value of the obligation as at the end of the year		3,48,83,149		3,28,80,998
Amount recognized in Balance Sheet		(96,31,025)		(39,35,904)

(₹)

	2015-16		2014-15	
4) Expenses recognised during the year (under the head contribution to provident fund and other funds)				
Current Service Cost		43,87,650		41,75,062
Interest Cost		25,58,142		26,47,600
Expected Return from Plan Asset		(25,32,696)		(26,03,197)
Net Actuarial Gain/(Loss) recognized in the year		12,82,025		70,750
Expenses recognised in the statement of Profit and Loss		<b>56,95,121</b>		<b>42,90,215</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 24 FINANCE COSTS</b>				
Interest on Term Loan		52,23,13,706		23,56,96,375
Interest on Others		1,37,40,25,115		1,00,17,38,966
		<b>1,89,63,38,822</b>		<b>1,23,74,35,341</b>
Share of Joint Venture - Note no 32.2		23,624		1,11,589
		<b>1,89,63,62,446</b>		<b>1,23,75,46,930</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 25 DEPRECIATION &amp; AMORTISATION EXPENSE</b>				
Depreciation for the Period	28,14,64,763		25,22,72,343	
Less: Transfer to Revaluation Reserve	42,958		14,37,366	
		<b>28,14,21,805</b>		<b>25,08,34,977</b>

	For the Year Ended 31.03.2016		For the Year Ended 31.03.2015	
<b>NOTE - 26 OTHER EXPENSES</b>				
Processing / Job Charges		3,66,52,67,570		1,96,84,03,311
Freight, Carriage & Transport		35,49,97,555		52,80,20,397
Power & Fuel		6,28,38,346		8,98,16,046
Rent		11,22,72,405		28,23,80,177
Insurance		8,56,61,139		9,29,43,871
Repairs & Renewals:				
Plant & Machinery	40,46,639		39,43,634	
Building	7,63,685		7,07,870	
Others	2,63,96,463	3,12,06,787	1,88,03,704	2,34,55,209
Hire Charges		10,15,37,773		8,17,58,836
Travelling & Conveyance		6,17,12,576		4,92,90,082
Auditors Remuneration:				
Audit Fees		39,00,682		29,81,586
Internal Audit Fees		2,02,000		98,200
Tax Audit		50,000		50,000
Custom Duty		64,09,265		74,28,466
Excise Duty		1,69,22,721		3,59,63,029
Rates & Taxes		10,32,90,070		7,97,09,319
Communication Expenses		3,78,31,650		1,23,09,351
Bank Commission and Charges		1,31,70,27,742		1,15,04,71,520
Miscellaneous Expenses (A)		26,03,91,043		39,36,86,343
Translation Loss		(1,38,83,913)		3,37,57,384
Loss on Contract Performance		29,17,893		4,46,800
		<b>6,21,05,53,304</b>		<b>4,83,29,69,927</b>
Share of Joint Venture - Note no 32.2		1,59,99,608		1,05,77,386
		<b>6,22,65,52,912</b>		<b>4,84,35,47,313</b>

(₹)

	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
<b>(A) Miscellaneous Expenses</b>		
Legal Charges, Listing & Filing Fees	1,36,76,089	87,26,219
Sales Promotion & Advertisement Expenses	76,79,369	67,60,370
Testing Charges	95,24,708	73,83,327
Computer/R&D Charges	21,93,109	14,60,354
Entertainment Expenses	29,96,374	33,80,952
General Charges	93,30,140	90,71,219
Office Up-Keep	57,01,894	1,16,77,341
Printing & Stationery	66,82,527	55,68,828
Subscription & Donation	20,62,362	14,71,747
Professional fees & Service Charges	14,86,21,264	29,78,55,887
Motor Car Expenses	14,09,165	29,01,733
Mobilisation Expenses	99,85,578	15,66,817
Tender Fees	26,05,466	30,08,631
Others	3,62,04,670	3,07,83,437
Rebate	15,39,779	18,70,248
Recruitment Expenses	1,78,550	1,99,232
	<b>26,03,91,043</b>	<b>39,36,86,343</b>

	31st March 2016	31st March 2015
<b>NOTE - 27 EARNINGS PER SHARE (EPS)</b>		
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹)	1,85,63,14,834	1,40,15,49,865
ii) Weighted Average number of equity shares used as denominator for calculating EPS	4,54,93,151	3,70,00,000
iii) Basic and Diluted Earnings per share (₹)	40.80	37.88
iv) Face Value per Equity Share (₹)	10.00	10.00

Amount (₹ in lacs)

	31st March 2016	31st March 2015
<b>NOTE - 28 EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of Exports	22,202.76	22,593.06

Amount (₹ in lacs)

	31st March 2016	31st March 2015
<b>NOTE - 29 CONTINGENT LIABILITIES</b>		
i. Guarantees given by Company's Bankers on behalf of the Company.	1,91,021.14	1,19,662.50
ii. Claims against the Company not acknowledged as debts:		
a) Sales Tax	1,439.76	1,496.08
b) Service Tax	333.08	333.08
iii. Corporate Guarantees given by Company	11,603.78	6,481.85

However as per management perception, the above liabilities will not devolve upon the company in future.

Amount (₹ in lacs)

	31st March 2016	31st March 2015
<b>NOTE - 29.1 CAPITAL COMMITMENTS</b>		
Estimated value of contracts in capital account remaining to be executed	700.05	1909.94

Amount (₹ in lacs)

	31st March 2016		31st March 2015	
<b>NOTE - 30</b>	<b>SEGEMENT REPORTING AS PER AS - 17</b>			
<b>Segment Revenue:</b>				
Project & Services		3,99,426.23		3,43,968.23
Manufacturing		21,155.91		16,111.75
Others		97,014.99		91,464.20
<b>Segment Total</b>		<b>5,17,597.13</b>		<b>4,51,544.18</b>
<b>Segment Results:</b>				
Project & Services		47,932.73		34,309.21
Manufacturing		1,393.79		1,051.22
Others		(1,365.36)		824.13
<b>Segment Total</b>		<b>47,961.16</b>		<b>36,184.56</b>
Unallocated income over expenses		(1,557.42)		(1,779.92)
Profit Before Interest & Tax		46,403.74		34,404.64
Interest		18,963.62		12,375.47
Provision for Current Year Tax		8,890.63		8,020.19
<b>Profit after Current Year Tax</b>		<b>18,549.48</b>		<b>14,008.97</b>
Adjustment for previous year taxes		-		3.16
Profit after Tax		18,549.48		14,005.81
Adjustment for Minority Interest		13.67		9.69
<b>Profit after tax for Minority Interest</b>		<b>18,563.15</b>		<b>14,015.50</b>

Amount (₹ in lacs)

	Assets		Liabilities	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
<b>NOTE - 30</b>	<b>SEGEMENT REPORTING AS PER AS - 17</b>			
<b>SEGMENT ASSETS &amp; LIABILITIES</b>				
Project Construction Division	3,32,175.97	2,76,427.61	1,74,571.68	1,50,109.51
Tower Manufacturing Division	43,136.94	36,932.21	6,150.03	10,942.46
Others	89,542.73	29,357.91	1,31,539.39	71,236.72
<b>Segment Assets &amp; Liabilities:</b>	<b>4,64,855.64</b>	<b>3,42,717.73</b>	<b>3,12,261.10</b>	<b>2,32,288.69</b>

Amount (₹ in lacs)

<b>RELATED PARTY DISCLOSURE AS PER AS - 18</b>					
Mr. Manoj Toshniwal	EMC Limited	Key Managerial Personnel	Salary	134.32	NIL
			Advance	(50.00)	(50.00)
Mr. Ramesh Ch. Bardia	EMC Limited	Key Managerial Personnel	Salary	134.47	NIL
Mr. Nikunj Toshniwal	EMC Limited	Relative of Key Managerial Personnel	Salary	27.16	NIL
Mr. Siddhartha Bardia	EMC Limited	Relative of Key Managerial Personnel	Salary	17.17	NIL
Mr. Sarbananda Lahiri	Quatro Rail Tech Solutions Ltd	Director	Salary	59.00	NIL
Mr. Partho Mullick	Quatro Rail Tech Solutions Ltd	Director	Salary	34.72	NIL
Mr. Amitava Majumdar	Quatro Rail Tech Solutions Ltd	Director	Salary	34.15	NIL
Mr. Subroto Chaudhury	Quatro Rail Tech Solutions Ltd	Director	Salary	23.46	NIL



**NOTE - 31****Note-31: Significant Accounting Policies forming part of Company's Balance Sheet and Statement of Profit & Loss as at and for the year ended 31st March 2016****A) SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation**

The financial statements are prepared under the Historical cost convention as on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

**B) PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements consist of EMC Limited ("the Company") and its subsidiary companies (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- b) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".
- c) The difference between the cost of investment in the subsidiaries and joint ventures, and the Group's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

Minority interest in the net assets of consolidated subsidiaries consists of:

- 1) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  - 2) The minority share of movements in equity since the date the parent subsidiary relationship came into existence
- d) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.
  - e) Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group
  - f) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.
  - g) The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2016,

**C) OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements

**NOTE - 32.1 Enterprises consolidated as subsidiary in accordance with accounting standard 21- consolidated financial statements**

Name of the Enterprise	Country of Incorporation	Percentage of Ownership Interest (%) as at 31.03.2016	Percentage of Ownership Interest (%) as at 31.03.2015
Advanced Steel & Crane Inc.	U.S.A	100%	100%
Tecnolines S.r.l	Italy	70%	70%
EMC West Asia DMCC	U.A.E	100%	100%
EMC East Asia Limited	China	100%	100%
Quatro Rail Tech Solutions Limited (Formerly named as Quatro Rail Tech Solutions Pvt. Ltd.)	India	60%	60%
Tecnolines Singapore PTE Limited	Singapore	100%	100%
CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH)	Germany	90%	90%
EMC Saudi LLC	U.A.E	60%	-
EMC Tower Limited	India	100%	100%
EMC Hardware Limited	India	100%	100%
EMC Solar Limited	India	100%	100%
EMC Forging Limited	India	100%	100%
EMC Logistics Limited	India	100%	100%
EMC Overseas Limited	India	100%	100%
EMC Academy Limited	India	100%	100%

**NOTE - 32.2 Enterprises consolidated as Joint Ventures in accordance with accounting standard 27 - consolidated financial statements**

Name of the Enterprise	Country of Incorporation	Percentage of Ownership Interest (%) as at 31.03.2016	Percentage of Ownership Interest (%) as at 31.03.2015
EMC - BCPL Joint Venture	India	51%	51%
BCPL - EMC Joint Venture	India	49%	49%
FEDDERS - EMC - QUATRO Joint Venture	India	74%	-
EMC MBE Contracting Co. LLC	Oman	35%	-
EMC - BCPL Subir Joint Venture	India	71%	71%

(₹)

**NOTE - 33** Salient Features of Financial Statements of Subsidiary as per Companies Act , 2013**A) SUBSIDIARIES**

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	EMC West Asia DMCC	INR	3,33,31,265	31,28,49,560	2,71,01,70,850	2,36,39,90,025	-	2,65,02,71,941	20,28,94,724	-	20,28,94,724	-	-
2	Advanced Steel & Crane Inc.	AED	18,50,000	1,73,64,228	15,04,23,816	13,12,09,588	-	15,14,87,393	1,16,01,193	-	1,16,01,193	-	100.00%
		INR	3,24,259	21,59,66,044	41,48,30,211	19,85,39,908	-	58,44,12,779	11,56,97,971	4,15,67,641	7,41,30,330	-	-
		USD	4,900	32,63,546	62,68,660	30,00,214	-	90,95,157	18,39,566	6,46,913	11,92,653	-	100.00%
3	Tecnolines S.R.L	INR	75,36,736	40,77,02,426	2,10,90,51,939	1,69,38,12,777	-	1,54,85,41,991	73,33,876	1,09,83,604	(36,49,728)	-	-
		EURO	1,00,000	54,09,533	2,79,83,624	2,24,74,091	-	2,17,59,322	1,42,784	1,54,336	(11,552)	-	70.00%
4	Tecnolines Singapore PTE Limited	INR	51,897	28,14,813	39,48,26,047	39,19,59,337	-	37,88,50,684	22,82,480	-	22,82,480	-	-
		USD	784	42,536	59,66,369	59,23,049	-	58,96,015	35,522	-	35,522	-	100.00%
5	EMC East Asia Ltd	INR	4,35,499	32,45,698	2,99,65,94,380	2,99,29,13,183	-	5,01,99,08,126	32,06,279	3,29,415	28,76,864	-	-
		USD	6,581	49,047	4,52,82,699	4,52,27,071	-	7,81,24,324	49,899	5,098	44,801	-	100.00%
6	CE Maschinenbau GmbH (Formerly named as MBE Cologne Engineering GmbH)	INR	18,84,184	(1,20,38,429)	73,00,64,040	74,02,18,285	-	57,99,64,126	(2,91,17,116)	-	(2,91,17,116)	-	-
		EURO	25,000	(1,59,730)	96,86,740	98,21,470	-	81,49,360	(1,59,730)	-	(1,59,730)	-	90.00%
7	EMC Saudi LLC	INR	5,29,34,187	-	7,11,31,557	1,81,97,370	-	-	-	-	-	-	-
		SAR	30,00,000	-	40,31,320	10,31,320	-	-	-	-	-	-	60.00%
8	Quattro Rail Tech Solutions Ltd. (Formerly named as Quattro Rail Tech Solutions Pvt Ltd)	INR	1,00,00,000	1,48,40,879	12,43,83,247	9,95,42,368	-	20,52,46,407	95,51,285	29,51,350	65,99,935	-	60.00%
9	EMC Solar Ltd.	INR	5,00,000	(2,59,657)	2,45,343	5,000	-	17,117	(6,458)	-	(6,458)	-	100.00%
10	EMC Overseas Ltd.	INR	1,50,00,000	(16,75,204)	1,34,17,571	92,775	-	10,48,153	10,10,721	3,02,963	7,07,758	-	100.00%
11	EMC Logistics Ltd.	INR	5,00,000	(2,62,643)	2,42,357	5,000	-	17,276	(20,315)	-	(20,315)	-	100.00%
12	EMC Hardware Ltd.	INR	25,00,000	(12,13,004)	17,37,943	4,50,947	-	31,111	(26,298)	-	(26,298)	-	100.00%
13	EMC Forging Ltd.	INR	5,00,000	(2,75,842)	2,29,158	5,000	-	15,547	(12,888)	-	(12,888)	-	100.00%
14	EMC Tower Ltd.	INR	13,00,00,000	(2,89,42,129)	20,09,23,800	9,98,65,929	-	-	(1,80,48,859)	-	(1,80,48,859)	-	100.00%
15	EMCAcademy Ltd.	INR	5,00,000	(1,17,11,934)	2,28,042	1,14,39,976	-	-	(9,18,481)	-	(9,18,481)	-	100.00%

As on 31.03.2016: EURO - 75.3674, USD - 66.1753, AED - 18.0169, SAR - 17.6447, OMR - 171.8393

As on 31.03.2015: EURO - 66.9663, USD - 62.3355, AED - 16.9731

(₹)

**NOTE - 33 Salient Features of Financial Statements of Subsidiary as per Companies Act , 2013****B) JOINT VENTURES**

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

Sr. No.	Name of Associates/Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end			Profit/Loss for the year			
		Latest audited Balance Sheet Date	Amount of Investment in Associates/ Joint Venture	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
1	EMC-BCPL Subir JV	31.03.2016	-	1,09,71,621.00	77,89,851	31,81,770	71%	-
2	BCPL-EMC JV	31.03.2016	2,45,000	1,26,18,098.00	61,82,868	64,35,230	49%	-
3	EMC-BCPL JV	31.03.2016	-	1,19,07,612.00	60,72,882	58,34,730	51%	-
4	FEDDERS - EMC - QUATRO JV	31.03.2016	-	2,50,43,227.00	1,27,72,046	1,22,71,181	74%	-
5	EMC MBE Contracting Co. LLC	-	1,51,97,000	-	-	-	35%	-

**NOTE - 34**

Sr. No.	Name of the Enterprise	Net Assets i.e total Assets minus total liabilities		Share in profit or loss	
		As % of consolidated Net Assets	Amount in ₹	As % of consolidated of Consolidated profit & loss	Amount in ₹
<b>Parent Company</b>					
	EMC Limited	84.27%	7,47,06,53,494	72.88%	1,35,29,57,111
<b>Subsidiaries</b>					
<b>Indian</b>					
1	Quatro Rail Tech Solutions Limited	0.41%	3,64,18,284	0.38%	70,95,427
2	EMC Tower Limited	1.87%	16,56,94,890	-0.77%	(1,42,29,722)
3	EMC Hardware Limited	0.02%	16,97,637	0.00%	4,731
4	EMC Solar Limited	0.00%	35,899	0.00%	(23,575)
5	EMC Forging Limited	0.00%	45,689	0.00%	(28,435)
6	EMC Logistics Limited	0.00%	36,400	0.00%	(37,591)
7	EMC Overseas Limited	0.00%	85,930	-0.02%	(3,40,395)
8	EMC Academy Limited	0.00%	64,420	0.00%	(33,314)
<b>Foreign</b>					
1	Tecnolines Singapore PTE Limited	0.04%	35,46,843	0.12%	22,84,600
2	CE Maschinenbau GmbH	4.26%	37,80,41,010	-0.67%	(1,24,44,439)
3	Advanced Steel & Crane Inc.	1.69%	15,01,15,049	3.99%	7,41,30,330
4	Tecnolines S.r.l	9.78%	86,71,17,259	21.45%	39,81,34,928
5	EMC West Asia DMCC	-1.27%	(11,29,79,136)	-10.86%	(20,15,63,265)
6	EMC Saudi LLC	0.76%	6,76,02,611	0.00%	-
7	EMC East Asia Limited	-3.33%	(29,53,28,869)	0.12%	22,63,354
<b>Minority Interest in all Subsidiaries</b>		0.46%	4,04,03,968	0.07%	13,66,677

**NOTE - 34**

Sr. No.	Name of the Enterprise	Net Assets i.e total Assets minus total liabilities		Share in profit or loss	
		As % of consolidated Net Assets	Amount in ₹	As % of consolidated of Consolidated profit & loss	Amount in ₹
<b>Joint Ventures</b>					
<b>Indian</b>					
1	EMC - BCPL Joint Venture	0.11%	97,63,880	0.12%	21,71,527
2	BCPL - EMC Joint Venture	0.32%	2,81,05,490	0.63%	1,16,87,265
3	FEDDERS - EMC - QUATRO Joint Venture	0.03%	26,20,842	4.36%	-
4	EMC MBE Contracting Co. LLC	0.06%	57,49,442	0.00%	-
5	EMC - BCPL Subir Joint Venture	0.51%	4,51,83,977	8.19%	15,20,65,275
<b>Total</b>		<b>100.00%</b>	<b>8,86,46,75,009</b>	<b>100.00%</b>	<b>1,85,63,14,834</b>

As per our Report of even date attached

For **SRB & Associates**

Chartered Accountants

(Firm Regn No 310009E)

**Sanjeet Patra**

(Partner)

Membership No. - 056121

Kolkata, The day of 31st August, 2016

For and on behalf of the Board

**Manoj Toshniwal**  
Managing Director

**Ramesh Chandra Bardia**  
Jt. Managing Director

**Yamini More**  
VP (Finance & Accounts)

**Arun Kumar Kedia**  
Chief Financial Officer

**Sumit Kumar Surana**  
Company Secretary















**EMC LIMITED**

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