50 years of Trust & Reliability 1964 - 2014

52[ND] ANNUAL REPORT
2016-17

EMCO
inspired by tomorrow

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

www.emco.co.in

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

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

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

Smt. Priyamvada Bhumkar (upto 08.08.2016)
B.Sc. (Chemistry), MBA (Finance)
Woman - Independent Director

Smt. Archana Capoor (w.e.f 10.01.2017)
B.Sc. (Chemistry), MBA (Finance & Market Research)
Woman - Independent Director

CHIEF FINANCIAL OFFICER

Mr. Amit Sudhakar
ACA

COMPANY SECRETARY

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

STATUTORY AUDITORS

P. Raj & Co
Chaturvedi & Shah
Chartered Accountants

SOLICITORS

ALMT Legal

BANKERS

Dena Bank | State Bank of India |
Bank of India | State Bank of Hyderabad |
Kotak Mahindra Bank Limited | The Federal Bank Limited |
Andhra Bank | Union Bank of India |
Canara Bank | Standard Chartered Bank

PLANT LOCATIONS

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

Industrial Transformer Plant
N-104, MIDC Area, Mehrun, Jalgoan - 425 003, Maharashtra, India.
Tel : +91 257 2272462 / 2272 572, Fax : +91 257 2272 598

Distribution Transformer Plant
Gat No. 114, Aurangabad Road,
Umala, Jalgaon - 425 003, Maharashtra, India.
Tel: +91 257 5614395 / 96 / 3092594
Fax : +91 257 22350505

Tower Plant
Plot No. 519-521, Village: Asoj, Vadodara - Halol Highway
Dist. Vadodara - 391510, Gujarat, India.
Tel: +91 2668 2811 13/4, Fax: +91 2668 281030

PV Solar Power Plant
Survey No. - 20 & 40,
Village - Fatepur, Taluka - Dasada,
Dist. Surendranagar - 382755, Gujarat, India.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai: 400 083
Tel: +91 22 49186000
FAX: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

OUR VISION

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

OUR VALUES

- CUSTOMER CENTRIC
- RELIABILITY
- OWNERSHIP
- RESULT ORIENTATION
- TRUST & INTEGRITY
- OPENNESS & TRANSPARENCY

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

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

EMCO AT A GLANCE

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

CONTENTS

FINANCIAL HIGHLIGHTS

(All amounts in ` Lakh, unless otherwise stated)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue Account					
Net Sales	84,134.75	80,625.10	91,223.28	83,067.93	66,880.96
EBIDTA	4091.29	6,843.95	9,253.60	8,913.83	7,608.28
Profit / (Loss) Before Tax (PBT)	(9,772.20)	(4,772.20)	607.02	1,082.98	556.21
Taxation	(2,887.47)	(2,266.61)	281.57	376.13	267.76
Profit / (Loss) After Tax (PAT)	(6,884.83)	(2,505.59)	325.45	706.85	288.45
Capital Account					
Share Capital	1,355.52	1,351.52	1,351.52	1,302.74	1,302.74
Reserves & Surplus	45,280.03	52,117.41	54,645.81	55,784.48	55,154.85
Shareholders' Fund	46,635.55	53,468.93	55,997.33	57,087.22	56,457.59
Borrowings	94500.00	80357.99	75814.47	48,678.08	42,343.52
Financial Ratios					
EBIDTA to Sales	4.86%	8.49%	10.14%	10.73%	11.38%
PBT to Sales	(11.62%)	(5.92%)	0.67%	1.30%	0.83%
PAT to Sales	(8.18%)	(3.10%)	0.36%	0.85%	0.43%
Book Value (Face value ` 2/- per share)	68.81	79.12	82.87	87.64	86.68
Debt Equity Ratio	1.99	1.50	1.31	0.85	0.75
EPS (`) - Basic	(10.18)	(3.76)	0.50	1.09	0.44
Dividend	NIL	NIL	5%	5%	10%

DIRECTORS' REPORT

To,

The Members of EMCO Limited,

Your Directors present the 52nd Annual Report on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March 2017.

Financial Summary/ Highlights:

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

(Rupees in Lakhs)

Particulars	Standalone	
	2016-17	**2015-16**
Total Income	86792.15	83867.71
Profit/(loss) before exceptional item and tax	(5852.72)	(4772.20)
Exceptional Item	(3919.58)	-
Profit before tax	(9772.30)	(4772.20)
Less: Provision for Tax – Current		-
Deferred Tax	(2887.47)	(2266.61)
Earlier Year Tax	-	-
MAT Credit Entitlement	-	-
Profit After Taxation	**(6884.83)**	**(2502.59)**
Add: Balance brought forward from previous year		
Profit Available For Appropriation	**9535.32**	**16420.15**
APPROPRIATIONS:		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Balance carried to Balance Sheet	9535.32	16420.15
TOTAL APPROPRIATION:	**9535.32**	**16420.15**

Indian Accounting Standards

Pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted Indian Accounting Standards (Ind-AS) with effect from 1st April, 2016. Consequently, figures of previous year are re-grouped as per Ind-AS.

Overview of Company's Financial Performance

During the year under review, Income from Sales and Services of the Company increased to Rs. 86,792.15 Lakh against Rs. 83,867.71 Lakh in the previous financial year, a rise of 3.50%.

The Company has incurred a net Loss of Rs. 6,884.83 Lakhs in the current financial year against the net loss of Rs. 2,502.59 Lakhs in the previous financial year.

Transfer to Reserve:

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

Dividend:

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

Share Capital:

During the year under review, the Company allotted 1,99,998 Equity shares to the eligible employees of the Company on 28th October, 2016 pursuant to Employee Stock Option Scheme-2011 of the Company. Consequently, the total paid up equity share capital of the Company increased from Rs. 13,51,51,770 divided in to 6,75,75,885 equity shares of Face Value of Rs. 2/- per share to Rs. 13,55,51,766 divided in to 6,77,75,883 equity shares of Face value of Rs. 2/- each.

Change in the nature of business:

There was no change in the nature of business of the Company during the year under review. During the financial year 2016-17, the Company has sold it's Wind Mill Businesses situated at Sinner and Sangli, in the state of Maharashtra.

Public Deposits:

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Subsidiaries, Associates and Joint Ventures Companies:

The Company has following Non-material unlisted subsidiaries:

A. **Direct Subsidiaries** :

   I. **Indian** :

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

   II. **Foreign** :

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

B. **Step Down Subsidiaries** :

   I. **Indian** :

   - EMCO Transmission Networks Limited

   II. **Foreign** :

   - PT Setenco Investa Niaga (Indonesia)

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

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

As per the provisions of Section 136 of the Companies Act, 2013, the Annual Audited Financial Statements of each of the subsidiaries of the Company are displayed on the website of the Company. The Audited Financial Statements of the subsidiary companies for the Financial Year 2016-17 will be available for inspection by any Member of the Company. If any Member of the Company so desires, the Company will be happy to make available the Annual Audited Financial Statements of the subsidiaries to him/her on request. The physical copy of the said documents will also be available at the Company's registered office for inspection, during normal business hours on all working days, excluding Saturday.

Consolidated Accounts:

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

Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Rajesh S. Jain (DIN: 00005829), Whole Time Director designated as Chairman of the Company, being longest in the office, shall retire by rotation at the ensuing 52nd Annual General Meeting (**AGM**) and being eligible, offer himself for re-appointment.

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

During the year under review, Mrs. Priyamvada Bhumkar (DIN: 00726135), (Women- Independent Director) resigned with effect from 8th August, 2016 from the directorship of the Company. The Board placed on record its appreciation for valuable contribution and support extended by Mrs. Priyamvada Bhumkar during her tenure as the Independent Director of the Company.

The tenure of Mr. Rajesh S. Jain (DIN: 00005829), Whole Time Director (WTD) designated as Chairman of the Company, expires on 19th October, 2017. The Board at its meeting held on 27th May, 2017, on recommendation of Nomination and Remuneration Committee has approved the re-appointment of Mr. Rajesh Jain for a further period of 3 (three) years and is recommended to the members of the Company for their approval at ensuing 52nd Annual General Meeting of the Company. His re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with provisions of Schedule V of the Companies Act, 2013. The detailed terms and conditions including remuneration have been mentioned in the Notice convening 52nd Annual General Meeting of the Company.

During the year under review, pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013, Mrs. Archana Capoor (DIN: 01204170) was appointed as an Additional Director of the Company with effect from 10th January, 2017 to hold office up to the date of ensuing 52nd AGM of the Company. The Company has received a notice in writing from a member of the Company along with requisite deposit under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company for a term of 5 (five) years.

Your Directors recommend the appointment and re-appointment of Directors as mention above.

Brief profile of the Directors proposed to be appointed/re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), are provided in the Notice of 52nd AGM of the Company.

Pursuant to requirement of provisions of Section 203 of the Companies Act, 2013 the Board of Directors noted that Mr. Rajesh S Jain (DIN: 00005829) Whole Time Director as Chairman, Mr. Amit Sudhakar, Chief Financial Officer and Mr. Ganesh Tawari, Company Secretary, are the Key Managerial Personnel of the Company as on the date of the Board Report.

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

Declaration by Independent Directors

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

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

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

Disclosure of Internal Financial Control:

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

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

Number of Meetings of the Board and Audit Committee:

During the year under review, 4 (Four) Board Meetings and 4 (Four) Audit Committee Meetings were held as per details given in the Report of Corporate Governance. A Notice of Meetings of the Board of Directors and Committee thereof is circulated well in advance along with the agenda giving detailed explanations, to enable the Board and Committee to take an informed decision. Details of other committees are given in Corporate Governance Report.

Composition of Audit Committee

As on 31st March, 2017, Audit Committee of the Company comprises of three Non-Executive Directors and all are Independent Directors. All members have knowledge of Finance, Accounting and Law. Composition of the Audit Committee as on 31st March, 2017 is as follows:

Sr. No.	Name of the Committee Members	Designation
1.	Mr. Sanjay Bhatnagar	Chairman
2.	Mr. S. V. Deo	Member
3.	Mr. Bherulal Choudhary	Member

During the year under review, Mrs. Priyamvada Bhumkar was a member of the Audit committee of Board of the Company. Subsequent to her resignation from Board of the Company w.e.f 8th August, 2016 her membership in Audit Committee of the Board was automatically ceased.-

There were no matters during the financial year 2016-17 wherein the Board did not accept recommendations given by the Audit Committee.

Establishment of Vigil Mechanism:

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

The vigil mechanism policy is available on the website of the company at link:

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

Particulars of remuneration to Directors and Employees

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

Management Discussion and Analysis:

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

AUDITORS

a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors) Rules, 2014, M/s. P. Raj & Co. (FRN: 108310W) and M/s. Chaturvedi & Shah (FRN: 101720W), Chartered Accountants, Joint Statutory Auditors of the Company were appointed for their second term for a period of 2 (two) years and 5 (five) years respectively at the 50th Annual General Meeting (AGM) held on 25th September, 2015.

M/s. P. Raj & Co., the existing Joint Statutory Auditors of the Company will complete their second term of appointment in the ensuing 52nd AGM.

The Audit Committee and the Board of Directors places on record their deep appreciation for the professional services rendered by M/s. P. Raj & Co. during their long association as Statutory Auditors of the Company, while maintaining the ethical standards and high level of governance.

The appointment of M/s. Chaturvedi & Shah (FRN: 101720W) as Statutory Auditors of the Company shall be required to be ratified by the members at the ensuing 52nd AGM. The Company has received written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and if their appointment is ratified, their appointment would be within the limits prescribed under Section 139 of the Act. Your Directors recommend the ratification of appointment of M/s. Chaturvedi & Shah as Statutory Auditors of the Company.

b) Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. MMJC & Associates LLP, Practicing Company Secretaries, Mumbai were appointed as Secretarial Auditors of the Company to conduct Secretarial Audit for Financial Year 2016-17.

The Report on Secretarial Audit for the Financial Year 2016-17, issued by M/s. MMJC & Associates LLP, in form of MR-3, forms an integral part of this Board's Report annexed herewith and marked as "**Annexure- D".**

In terms of Section 204 of the Act, on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. MMJC & Associates LLP, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct Secretarial audit for Financial Year 2017-18.

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

c) Cost Auditors

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 (the Act) read with the Companies (Cost Records and Audit) Amendments Rules, 2014 (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company on recommendation of Audit Committee have appointed M/s. Kishore Bhatia & Associates (FRN: 00294), Cost Accountants, as Cost Auditors of the Company for the financial year 2017-18, to audit the cost records maintained by the Company for its Steel, Electricity and transformers products, at a remuneration of Rs. 2,25,000/- per annum plus applicable tax and reimbursement of out of pocket expense that may be incurred. Your Directors recommend to the members of the Company a resolution for ratification of remuneration payable to the Cost Auditors for the Financial Year ended on 31st March, 2018 is included in the Notice of the ensuing 52nd Annual General Meeting.

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

Certificate in this regard is obtained from Cost Auditors for the financial year ended 31st March, 2017.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made there under (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company on recommendation of Audit Committee have appointed M/s. Rahul Birla & Co. (FRN: 122589W), Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2017-18, to conduct Internal Audit of the Company.

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

Explanations by the Board on qualifications, reservation or adverse remark or disclaimer made by the Auditors in their report

- **Statutory Auditors in their Audit report**

There were no qualification, reservation, disclaimer and adverse remarks made by the Statutory Auditors of the Company in their audit report.

- **Secretarial Auditors in their Secretarial Audit Report**

Sr. No.	Observation	Reply to the observation
1.	The Company has made delay in appointment of woman director on the Board of Directors of the Company.	The Company was in the process of identifying suitable candidate having relevant knowledge, qualification and experience for the post of Woman Director, based on required criteria for such appointment; Mrs. Archana Capoor was appointed on the Board of the Company w.e.f 10th January, 2017 by the resolution passed by way of circulation by the Board of Directors of the Company.
2	The Company has made delay in submitting un-audited financial results for the quarter and nine months ended 31st December, 2016.	Due to unforeseen circumstances beyond control of the Company, the Company made delay in submission of unaudited financial results of the Company for the quarter and nine months ended 31st December, 2016. The Company had submitted the said unaudited financial results on 23rd February, 2017.

Extract of Annual Return:

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

Transfer of equity shares to Investor Education and Protection Fund (IEPF) suspense Account:

The Ministry of Corporate Affairs (MCA) notified the provisions of the Sections 124 and 125 of the Companies Act, 2013 (the Act). Further MCA vide notification dated 5th September, 2016, introduced the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), with effect from 7th September, 2016.

Pursuant to the provisions of Sections 124 and 125 of the Act and the IEPF Rules, all shares on which dividend has not been paid or claimed for a period of seven (7) consecutive years or more, shall be transferred to DEMAT account of Investors Education and Protection Fund ('IEPF') with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF.

Pursuant to the provision of Section 124(6) of the Act read with rule 6 of the IEPF Rules as amended by the MCA on 28th February, 2017, the Company has initiated the process for financial year 2008-09 and sent individual notices to the members, whose shares are liable to transfer to IEPF Authority, through speed post on 6th December, 2016 and published notice in the newspapers i.e. Business Standard and Lokmat - Jalgaon edition dated 8th December, 2016, corrigendum thereon dated 16th December, 2016 and reminder public notice dated 4th May, 2017 advising them to claim the dividend expeditiously on or before 31st May, 2017. In terms of Rule 6(3) of the IEPF Rules, the statement containing the details of such members viz. name, address, folio/demat account number and number of shares due for transfer is uploaded on the Company's website i.e. www.emco.co.in.

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

MCA vide General Circular No. 05/2017 dated 16th May, 2017 stated that fresh instructions on the matter to be issued in due course of time. Hence, the process of transfer of shares to the said DEMAT Account is on hold for further instructions from MCA.

Directors' Responsibility Statement:

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

a) that in the preparation of the annual accounts for the financial year ended on 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the loss of the Company for the year ended on that date;

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

d) that the Directors had prepared the annual accounts for the financial year ended on 31st March, 2017 on a 'going concern' basis;

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

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

Details in respect of fraud reported by Auditors

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

Policy on directors' appointment and remuneration

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

Particulars of loans, guarantees or investments:

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

Particulars of material contracts or arrangements with related parties:

There were no new material contract or arrangements entered into by the Company with related parties referred to in Sub Section (1) of the Section 188 of the Companies Act, 2013 during the financial year 2016-17. Hence, the particulars of related parties contract or arrangement in form AOC-II is not applicable.

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

Report on Corporate Governance:

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

Training to Independent Directors:

As a step towards Directors' Familiarization Programme, the Company had arranged a presentation on the topic 'Rights, Duties and Responsibilities of Independent Directors in terms of the provisions of Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Risk Management Policy:

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

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

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

1) Commodity Risk

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

2) Currency Risk

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

3) Execution Risk

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

Corporate Social Responsibility (CSR):

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

Report on Prevention of Sexual Harassment of Women:

Your Company strongly believes in zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company designed and implemented 'Policy for prevention of Sexual Harassment' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the said Act') and rules made thereunder. As per Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee to deal with the complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

Pursuant to the provisions of Section 21 and 22 of the said Act, the detailed report on cases filed & their disposal under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for the period ended December, 2016 was submitted by Presiding Officer of the Internal Complaints Committee to the District Women and Child Development Officer (Thane Collectorate) and Chairman of the Company within time limit prescribed under the said Act. Key highlighted points of the report is given below:

Number of Complaints pending as on the beginning of the year	Nil
Number of complaints received in the year.	Nil
Number of complaints disposed off during the year.	Not applicable
Number of cases pending for more than 90 days.	Not applicable
Nature of action taken by the employer.	Not applicable
Number of Complaints pending as on end of the year	Nil

Resolution by Circulation:

During the year under review, the Company has passed a resolution by way of circulation for appointment of Mrs. Archana Capoor as an Additional Director on the Board of the Company with effect from 10th January, 2017. The resolution was passed with majority requisites. No director of the Company casted their vote against the resolution.

Evaluation of Directors, Committee and Board:

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

Employees Stock Option Scheme (ESOS)

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

1) Employees Stock Option Scheme, 2006
2) Employee Stock Option Scheme, 2011
3) Employee Stock Option Scheme, 2015

During the year under review, the Company had granted 33,825 Options to its employees as decided by the Management of the Company under Employee Stock Option Scheme, 2015. The Company has also allotted 1,99,998 Equity Shares on 28th October, 2016 to its eligible employees, who has exercised their rights under the Employees Stock Option Scheme, 2011.

The Board of Directors of the Company, at their meeting held on 27th May, 2017, has decided to close Employee Stock Options Scheme – 2006. Employee Stock Option Scheme 2011 and 2015 are in operation.

Pursuant to provisions of Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share based Employee benefits) Regulations, 2014, the detail statement of above mentioned options Schemes as on 31st March, 2017 is annexed herewith as **"Annexure- H"** to the Board's report.

Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated 16th June, 2015 the details of of the shares issued under Employee Stock Option Schemes of the Company are uploaded on the website of the Company:

http://www.emco.co.in/pdf/Disclosure%20under%20SEBI_Share%20Based%20Employee%20Benefits_Regulations%202014.pdf

Insurance:

All the assets of the Company are adequately insured.

Acknowledgment:

Your Directors would like to express their grateful appreciation for the assistance, support and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors would also like to take this opportunity to express their appreciation to the dedicated and committed EMCOites for the contribution in trying to achieve the Company's vision to "**To build a world class company through reliability and be a great place to work".**

On behalf of the Board of Directors
For EMCO LIMITED

Sd/-

Rajesh S. Jain
Chairman
(**DIN: 00005829**)

27th May, 2017
Mumbai

ANNEXURE-A

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Name of the subsidiary	Emco Renewable Energy Limited	Shekhawati Transmission Service Company Limited	Emco Power Limited	Emco Infrastructure Limited	Emco Transmission Network Limited (Subsidiary of Emco Infrastructure Limited)	EMCO Overseas Pte. Limited (Refer Note 4)	EMCO Global DMCC	PT Setenco Investa Niaga (Subsidiary of Emco Overseas Pte Limited)
1. Reporting period	31-Mar-2017	31-Mar-2017	31-Mar-2017	31-Mar-2017	31-Mar-2017	31-Mar-2017	31-Mar-2017	31-Dec-2016*
2. Reporting currency	INR	INR	INR	INR	INR	USD	USD	IDR
3. Share capital	5,00,000	48,86,000	7,98,02,350	5,00,000	5,00,000	456	17,63,286	48,67,397
4. Reserves & surplus	35,168	13,07,62,953	(2,60,67,956)	-2,64,362	-5,66,087	-98,46,75,731	-1,77,00,878	-27,94,43,891
5. Total assets	5,59,077	22,18,64,847	22,18,64,847	10,04,530	5,413	1,11,31,75,557	2,78,99,951	72,08,35,280
6. Total Liabilities	23,909	8,62,15,894	17,31,33,616	7,68,892	71,500	2,09,78,50,832	4,38,37,543	99,54,11,774
7. Investments	500	41,850	19,50,000	3,75,600	-	1,43,92,465	-	65,60,39,496
8. Turnover	-	-	-	-	-	-	-	-
9. Profit / (Loss) before taxation	40,158	-11,733	-27,500	-56,578	-24,410	-12,21,30,670	-1,82,90,938	7,63,28,787
10. Provision for taxation	-12,409	-	-	-	-	-	-	-
11. Profit / (Loss) after Taxation	27,749	-11,733	-27,500	-56,578	-24,410	-12,21,30,670	-1,82,90,938	7,63,28,787
12. Proposed Dividend	-	-	-	-	-	-	-	5,46,87,446
13. % of shareholding	100%	100%	100%	100.00%	75.12%	100%	100%	98.80%

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

Notes:

1. Names of subsidiaries which are yet to commence operations
   a. Emco Renewable Energy Limited
   b. Shekhawati Transmission Service Company Limited
   c. Emco Power Limited
   d. Emco Infrastructure Limited
   e. Emco Transmission Network Limited (Formally known as East West Power Generation Company Limited)
2. There were no subsidiaries liquidated or sold during the year
3. Exchange rates used in case of foreign subsidiaries are given below as on 31.03.2017
   USD : 64.84
   IDR : 13321
4. Financial Information is based on Unaudited Financials (management represented financials)

Part "B": Associates and Joint Ventures

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

Name of Associates/Joint Ventures	Kalinga Energy & Power Limited	Shyam Emco Infrastructure Limited	P T Bina Insan Suskes Mandiri	PT Vardhaman Logistic	PT Vardhaman Mining Services	Rabaan (S) Pte. Ltd. (refer note 3)
1. Latest audited Balance Sheet Date	31-Mar-2017	31-Mar-2017	31-Dec-2016*	31-Dec-2016*	31-Dec-2016*	31-Mar-2017
2. Shares of Associate/Joint Ventures held by the company on the year end						
No.	1,25,000	70,000	2,242	1,05,000	3,73,500	9,337
Amount of Investment in Associates/Joint Venture	12,50,000	7,00,000	65,57,02,587	71,44,962	2,42,17,217	4,48,443
Extend of Holding %	50%	50%	37.37%	22.50%	37.35%	37.35%
3. Description of how there is significant influence	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%	Voting Power is more than 20%
4. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-36,77,730	5,17,300	4,09,95,474	60,11,004	-2,02,71,326	2,13,774
6. Profit /(Loss) for the year to Shareholding	-77,251	-7,272	12,18,46,994	-24,894	-2,36,548	30,34,605
i. Considered in Consolidation	-	-7,272	12,18,46,994	-24,895	-	-
ii. Not Considered in Consolidation	-77,251	-	-	0	-2,36,548	30,34,605

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

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

For and on behalf of Board

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI.M. No.A12896

Date: 27th May 2017

ANNEXURE-B

REMUNERATION DETAILS

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

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

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:**

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

2. **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2016-17:**

Sr. No.	Particulars	% Increase
1.	Mr. Shailesh S Jain- Non Executive Director Mr. Sanajay Bhatanagr- Independent Director Mr. Bherulal Choudhary- Independent Director Mr. S. V. Deo- Independent Director Mrs. Priyamvada Bhumkar- Independent Director (up to 08.08.2016) Mrs. Archana Capoor- Additional Director (w.e.f. 10.01.2017)	Not applicable as none of the Directors was paid any remuneration except sitting fees
2.	Mr. Rajesh S Jain- Whole Time Director	During the year under review, the Company has not increased in remuneration of KMP and WTD
3.	Mr. Ganesh Tawari, Company Secretary	
4.	Mr. Amit Sudhakar, Chief Financial Officer	

3. **Percentage increase in the median remuneration of employees in the financial year 2016-17: (1.89)%**

4. **The number of permanent employees on the rolls of the Company:** 584 as on March 31, 2017

5. **The explanation on the relationship between average increase in remuneration and Company Performance:**

   There is no change in remuneration of employees. The Company Inter alia considers following factors for deciding upon the increase in the remuneration of the employees:

   (a) Individual performance/contribution of the Employee vis-à-vis Company Performance;

   (b) Industry Benchmark

   (c) Balance between fixed and incentive pay reflecting short and long term performance objective

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

   During the year under review, there is no increase in remuneration of Key Managerial Personnel. However the PAT of the Company declines during fiscal 2017 over fiscal 2016 by 175 %.

7. **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.**

   The market capitalization of the Company has increased to Rs. 189.09 Crores as of March 31, 2017 from Rs. 175.70 Crores as of March 31, 2016 resulted in increase in market capitalization by 7.62%. Over the same period, the price earnings ratio increased from (7.00) to (6.36) resulted in increased in ratio by 9.14 %.

   The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2017 was Rs. 27.90 each, representing a 76.75% decrease over the IPO price (Qualified Institutional Placement - Rs. 120) on Stock Exchanges.

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

Sr. No.	Particulars	% Increase
1.	Average percentile increase in the salary of employees other than managerial personnel	1.43
2.	Average percentile increase in the salary of the managerial personnel	0.44

9. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :**

Sr. No.	Particulars	% of PAT
1.	Mr. Rajesh Jain-Chairman (Whole Time Director)	Not Applicable
2.	Mr. Amit Sudhakar (CFO)	(0.45)%
3.	Mr. Ganesh Tawari (CS)	(0.33)%

10. **The key parameters for any variable component of remuneration availed of by the Directors:**

    There is no variable component in the remuneration of the Executive Directors. The Non-Executive Directors are not entitled to remuneration in any form other than the sitting fees for the meetings attended by them.

11. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

    Since no director was paid remuneration during the period under review, the ratio of the remuneration of the highest paid director to that of the employees cannot be derived.

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

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

1. No employees who were employed throughout the financial year, and were in receipt of remuneration for not less than Rs. 1.02 Crore p.a.

2. No employees who were employed for a part of the financial year and were in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8.50 lakh per month:

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

On behalf of the Board of Directors
For EMCO LIMITED

Sd/-

Date: May 27, 2017
Place: Mumbai

Rajesh S. Jain
Chairman

ANNEXURE-C

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Power Sector in India

The power generation capacity in India grew by 4.72% for the Financial Year 2016-17 over the previous year and is expected to grow by 5.97 % in the financial year 2017-18.

Due to economic slowdown especially in the Infrastructure sector, Power sector projects also witnessed a slow down. Project execution was impacted on account of delay in land acquisitions and project financing issues. While we had a slow down on one hand, the government is making lot of effort to kick start the investment in this sector, by encouraging investments in the renewable energy space, particularly in the area of solar power generation. The power generated through a Solar project in India is now available at prices almost equal to coal power project or even cheaper. Solar installed capacity has grown by 370% in last 3 years to 12288 MW as on 31st March 2017 and is expected to grow going forward, thus providing good opportunity to your company's business in the power transmission and distribution area.

Transformer Business

The Transformer business in India is witnessing huge margin pressure due to low demand and excess capacity in the Industry. Low rate of industrial growth, poor financial status of the utilities along with general economical slowdown has contributed to the low transformer demand in the country .

Your company has therefore proactively aligned its strategy according to the current market situation and continues to focus on exports and a few large central utilities in India who have access to capital. Your company has supplied many transformers of 500 MVA, 400 kV class to PGCIL till the end of current Financial year. Your company has also contributed in a small way and helped to add power generation capacity of 2000 MW to the Nation by supplying 11 units of 260 MVA, 420 kV, Single Phase Generator Transformers to NTPC for their Solapur & Mouda power generation projects .

During the year under review, your company has focused on maintaining margins in a competitive environment while balancing capacity utilization and costs. Your company has continuously focused on enhancing its transformer design capabilities to stay at the cutting edge of technology while also focusing on improving the supply chain efficiencies. Our over all objective is to be Right the First Time thereby controlling cost. All these initiatives are helping the business to compete in the market.

Your company has a healthy Order book position for the FY 2017-18. Exports Orders with better margins and cash flow are around 40% of the current Order Book position. Your company's plants & facilities are regularly audited & approved by Internationally renowned consultants / customers and their regular feedback that we are at par with the best in the world gives us a lot of Pride and motivation to keep working harder.

Project Business

Your company has successfully commissioned 400 kV D/C Betul-Khandwa and 800 kV HVDC Champa Kurukshetra Transmission lines for PGCIL. Your company have bagged turnkey contract from PGCIL for executing Transmission Line and Substations work for the dedicated freight corridor project of the Indian Railways being executed by PGCIL.

Africa continues to offer exciting opportunities for your company, hence your company continuous to focus on Transmission lines & Substation projects across a selected group of African countries that have access to international funding. We are pleased to announce the commencement of execution of three more Sub-station projects in Africa .

International Business

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

Consistently meeting International quality standards, your Company has exported its Products and Solutions to more than 50 countries in Middle East, Africa, Latin America and the Asia Pacific region. Its impressive International clientele ranges from Power Utilities, Oil and gas companies, Mining companies and EPC companies.

Moving forward with a healthy order book position and excellent references across the globe, your company is confident of substantially increasing the share of International business of your Company from 30% currently to 50 % in the next few years . This growth will be fuelled through a healthy mix of regions and customers across all product segments without excessive dependence on any specific product or Market.

Coal Mine-Indonesia

During the year under review, your company's Coal Mine in Indonesa sold close to 2 Million tons of coal and we are targeting a sale of 3 million tons of coal in the next financial year. There is a good demand for your company's coal and coal price has also increased by 50% over last year. Our Indonesian team is already taking steps to ramp up the Coal mine output further in the next few years.

Renewable Energy

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

Opportunities and Threats

Your Company foresees the market full of opportunity for its Businesses in the long term. This view has emerged after considering the expected increase in planned expenditure in power and distribution sector, Railway electrification, reduction in interest rate by banks and revival of long struck projects across sectors, in addition to strong presence in international markets. The Prime Minister's "Make In India" program will also fuel Industrial growth in a time bound manner.

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

Internal Control System

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

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

In accordance with provisions of Companies Act, 2013 and Securities Exchanges and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations, 2015'**) the Audit Committee has evaluated the Internal Financial Controls of the Company. The Management of your Company has determined that the Company's internal financial control as of 31st March, 2017 were efficient and effective.

The Company has framed and well implemented a mechanism to inform Members of Board of Directors of the Company, at periodical intervals about the assessment, identification, control and mitigation of risk on businesses of the Company. The Company has an independent Internal Auditor for periodically carrying out audit of the transactions of the Company in order to ensure that recording and reporting are adequate and proper. The Internal Auditors independently evaluate the adequacy of internal control to ensure that internal controls, check and balances in the system are adequate, proper and up-to date. Remedial measures are suggested by them to mitigate the risk identified during the course of the audit assignments and action plans ensure implementation of such suggestions.

Risk and Concerns

The major risk factors affecting the Company are overcapacity in the transformer industry and liquidity issues due to stuck receivables.

The other risks your company faces are cost increase risks due to Right of Way (ROW) issues causing delay in project execution, risks of safety of EMCOites and contractors working at heights in transmission line construction work, risk of commodity price fluctuation, foreign currency fluctuation risk, etc.

Your company's Risk management committee reviews various risk faced by your company periodically and has puts in place a robust checks and balance mechanism to mitigate these risk.

Outlook

Given the growth plans of the power sector and expected growth in industrial activity due to 'make in India' and other initiatives of the government like focusing on generating power from renewable energy, the prospect for your company's products and services look very bright. In addition to the domestic market, your Company has taken a number of steps to increase its global reach which will further increase business opportunities for your company. While we remain very optimistic on the overall business environment, we are internally adjusting our costs to a new world of continuous pricing pressure.

Financial performance with respect to operational performance

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

Further financial performance of your company's project business was further affected by re-tendering of some of the large transmission line tenders from PGCIL.

Human Resource

To live your company's vision of being a 'Great Place to Work', your company's management aspires to steadily develop, implement and support programs and processes that add value to your company's business and all Emcoites. The focus is to improve Emcoite's welfare, empowerment, growth and retention, while they stay committed to grow your company .The management of your company promotes a work environment that is characterized by fair and equal treatment for all Emcoites, open communications, personal accountability, trust and mutual respect.

Environment and Safety:

Your company's management continuously makes efforts to make your company a safe place to work and also be environmentally conscious, has taken a number of initiates in the current year.

a. Certification for Integrated management system (IMS) for a Quality , safety and environment was received by your company's Project Business

b. Your company celebrated 46th National Safety Week across all its location, which included live safety demonstration, health check up, PPE exhibition, Practical demos on fall arrester at Project sites and various safety competitions for employees motivation

c. Your company celebrated World Environment day at Various location on 5th June educating and encouraging Emcoites to protect the environment.

d. Health camp are regularly conducted at all project sites to ensure Emcoites and contractors health and safety .

CSR - Initiatives towards Corporate Social Responsibility:

Your Company has taken various initiatives towards the Corporate Social Responsibility through its extended arm EMCO Foundation. EMCO Foundation (EF) has been established to promote sustainability and welfare of humanity with a vision "To transform lives through sustainable development involving stakeholders." Since inception EF has transformed more than 83,000 lives through initiatives in Education (Akshar), Environment (Ankur and Roshni) and Healthcare (Jeevan).

Your company has been awarded as the Best Corporate Foundation Award for outstanding contribution to Social Causes and CSR Efforts at the World CSR Day 2017.

Joy of Giving (Daan Utsav):

Like every year this year too, your company organized collection drive, where Emcoites donated Clothes, Books, toys etc. Total items collected this year were 37 large bags and till now it has reached more than 21,000 people.

Forward Looking Statements

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

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

On behalf of the Board of Directors

For EMCO Limited

Sd/-

Rajesh S. Jain
Chairman
(DIN:00005829)

May 27, 2017
Mumbai

ANNEXURE-D

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

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

To,

The Members,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Emco Limited** (the "**Company**") for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the audit period)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

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

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

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

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

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

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

1. The Electricity Act, 2003 and Rules made there under

   During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has made delay in the appointment of women director on the Board of Directors of the Company. However the Company has appointed a Woman Director on 10th January, 2017 and further the Company has also made delay in submitting un-audited financial results for the quarter and Nine Months ended 31st December, 2016.

We further report that

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

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

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

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

We further report that during the audit period:

The Company has allotted 1,99,998 Equity Shares having Face Value of 2/- with premium of Rs. 14 each aggregating to 2,799,972/- under Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

For MMJC & Associates LLP

Sd/-

Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968

Date: 27th May, 2017
Place: Mumbai

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

'Annexure A'

To,

The Members,

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

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

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

For MMJC & Associates LLP

Sd/-

Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968

Place: Mumbai
Date: 27th May, 2017

ANNEXURE- E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L31102MH1964PLC013011
ii)	Registration Date	19/09/1964
iii)	Name of the Company	EMCO LIMITED
iv)	Category / Sub-Category of the Company	Company having share capital
v)	Address of the Registered office and contact details	N-104, MIDC Area, Mehrun, Jalgaon 425003, Maharashtra and Tel.:+91 257 2272462
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C 101, 247 Park, L B S Marg Vikhroli (West) Mumbai- 400 083 Tel No. 022 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Transformers	271	29.86%
2	Transmission Line and sub-station	422	68.27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES–

Sr. No	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% Of shares Held	Applicable Section
1	**EMCO Power Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U40101MH2008PLC182215	Direct Subsidiary	100%	2(87)
2	**Shekhawati Transmission Service Company Limited** Plot No. C-97, 2nd floor, Jan Path, Lalkothi Scheme,Jaipur-302015 Rajasthan.	U40109RJ2009SGC029173	Direct Subsidiary	100%	2(87)
3	**EMCO Renewable Energy Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U45204MH2009PLC197716	Direct Subsidiary	100%	2(87)
4	**EMCO Infrastructure Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U45400MH2008PLC182187	Direct Subsidiary	100%	2(87)
5	**EMCO Transmission Networks Limited** Plot no. F-5, Road No.28 Wagle Industrial Estate, Thane-400604 Maharashtra.	U40108MH2008PLC182186	Indirect Subsidiary	75.12%	2(87)
6	**EMCO Overseas Pte. Ltd** 80, Refiles place, #25-01, UOB plaza, Singapore (048624)	Foreign Company	Direct Subsidiary	100%	2(87)
7	**PT Sentnco Investa Niaga** Menara Prima Lantai 26 Unit A, jiLingkar mega Kaningan, Jakarata 12950, Indonesia	Foreign Company	Indirect Subsidiary	98.80%	2(87)
8.	**EMCO GLOBAL DMCC** Unit No: 2H-08-58 Jewellery & Gemplex 2 Plot No: DMCC-PH2-J & GPlexS Jewellery & Gemplex DUBAI United Arab Emirates	Foreign Company	Direct Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	22365140	0	22365140	33.0963	22365140	0	22365140	32.9987	-0.0976
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	8355858	0	8355858	12.3651	8355858	0	8355858	12.3287	-0.0364
	Sub Total (A)(1)	30720998	0	30720998	45.4615	30720998	0	30720998	45.3273	-0.1342
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	30720998	0	30720998	45.4615	30720998	0	30720998	45.3273	-0.1342
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	2913455	2000	2915455	4.3143	1130854	2000	1132854	1.6715	-2.6428
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	50000	4500	54500	0.0807	50000	4500	54500	0.0804	-0.0003
(f)	Financial Institutions / Banks	0	0	0	0.0000	102312	0	102312	0.1510	0.1510
(g)	Insurance Companies	384838	0	384838	0.5695	383602	0	383602	0.5660	-0.0035
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3348293	6500	3354793	4.9645	1666768	6500	1673268	2.4688	-2.4957
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	14309103	227467	14536570	21.5115	16070980	225967	16296947	24.0453	2.5338
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5983949	0	5983949	8.8552	5507174	0	5507174	8.1256	-0.7296
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	450	0	450	0.0007	450	0	450	0.0007	0.0000
	Hindu Undivided Family	1339677	5	1339682	1.9825	1787633	5	1787638	2.6376	0.6551
	Non Resident Indians (Non Repat)	309090	0	309090	0.4574	261982	0	261982	0.3865	-0.0709
	Other Directors	62975	0	62975	0.0932	62975	0	62975	0.0929	-0.0003
	Non Resident Indians (Repat)	332533	0	332533	0.4921	385548	0	385548	0.5689	0.0768
	Clearing Member	399984	0	399984	0.5919	941414	0	941414	1.3890	0.7971
	Bodies Corporate	10532186	2675	10534861	15.5897	10134814	2675	10137489	14.9574	-0.6323
	Sub Total (B)(3)	33269947	230147	33500094	49.5740	35152970	228647	35381617	52.2038	2.6298
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	36618240	236647	36854887	54.5385	36819738	235147	37054885	54.6727	0.1342
	Total (A)+(B)	67339238	236647	67575885	100.0000	67540736	235147	67775883	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	67339238	236647	67575885	100.0000	67540736	235147	67775883	100.0000	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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.	EMCO Investments Private Limited	8355858	12.37	0	8355858	12.33	0	0
2.	Triptee R Jain	1362200	2.02	0	1362200	2.01	0	0
3.	Shailesh Jain	6299340	9.32	0	6299340	9.29	0	0
4.	Rajesh Jain	9599345	14.21	0	9599345	14.16	0	0
5.	Ratna Jain	4354255	6.44	0	4354255	6.42	0	0
6.	Yachana S Jain	750000	1.11	0	750000	1.11	0	0

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

	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
At the beginning of The year	**No Change**			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the end of the year				

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. Of shares	No of shares held	% Of total shares of the company
1	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	2176582	3.2114			2176582	3.2114
	Market Sale			08 Apr 2016	(9860)	2166722	3.1969
	Market Sale			30 Dec 2016	(106489)	2060233	3.0398
	Market Purchase			06 Jan 2017	106489	2166722	3.1969
	AT THE END OF THE YEAR					2166722	3.1969
2	RELIANCE SPOT EXCHANGE INFRASTRUCTURE LIMITED	0	0.0000			0	0.0000
	Market Purchase			31 Mar 2017	1943000	1943000	2.8668
	AT THE END OF THE YEAR					1943000	2.8668
3	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE DIVERSIFIED POWER SECTOR FUND	2913455	4.2987			2913455	4.2987
	Market Sale			26 Aug 2016	(53550)	2859905	4.2196
	Market Sale			02 Sep 2016	(151901)	2708004	3.9955
	Market Sale			09 Sep 2016	(150000)	2558004	3.7742
	Market Sale			23 Sep 2016	(25000)	2533004	3.7373
	Market Sale			30 Sep 2016	(50000)	2483004	3.6636
	Market Sale			28 Oct 2016	(27200)	2455804	3.6234
	Market Sale			04 Nov 2016	(22800)	2433004	3.5898
	Market Sale			09 Dec 2016	(61400)	2371604	3.4992
	Market Sale			16 Dec 2016	(88600)	2283004	3.3685
	Market Sale			06 Jan 2017	(87800)	2195204	3.2389
	Market Sale			13 Jan 2017	(227300)	1967904	2.9035
	Market Sale			20 Jan 2017	(108850)	1859054	2.7429
	Market Sale			27 Jan 2017	(166700)	1692354	2.4970
	Market Sale			03 Feb 2017	(25700)	1666654	2.4591
	Market Sale			10 Feb 2017	(149300)	1517354	2.2388
	Market Sale			17 Feb 2017	(169600)	1347754	1.9885
	Market Sale			24 Feb 2017	(62900)	1284854	1.8957
	Market Sale			03 Mar 2017	(4000)	1280854	1.8898
	Market Sale			31 Mar 2017	(150000)	1130854	1.6685
	AT THE END OF THE YEAR					1130854	1.6685
4	SAMEER SHANTILAL MUTTHA	900240	1.3283			900240	1.3283
	AT THE END OF THE YEAR					900240	1.3283
5	A E SECURITIES & INVESTMENTS PVT LTD	900000	1.3279			900000	1.3279
	AT THE END OF THE YEAR					900000	1.3279
6	FARIDA ASIF PETIWALA	818475	1.2076			818475	1.2076
	Market Sale			22 Jul 2016	(20000)	798475	1.1781
	Market Purchase			05 Aug 2016	20000	818475	1.2076
	Market Sale			23 Sep 2016	(20000)	798475	1.1781
	Market Purchase			07 Oct 2016	5000	803475	1.1855
	Market Sale			21 Oct 2016	(5000)	798475	1.1781
	Market Purchase			28 Oct 2016	2329	800804	1.1815
	Market Sale			04 Nov 2016	(1829)	798975	1.1788
	Market Purchase			11 Nov 2016	24500	823475	1.2150
	Market Sale			20 Jan 2017	(10000)	813475	1.2002
	Market Sale			27 Jan 2017	(10000)	803475	1.1855
	Market Sale			17 Feb 2017	(542)	802933	1.1847

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. Of shares	No of shares held	% Of total shares of the company
	AT THE END OF THE YEAR					802933	1.1847
7	MOTILAL OSWAL SECURITIES LTD - CLIENT ACCOUNT	329020	0.4855			329020	0.4855
	Market Sale			01 Apr 2016	(2)	329018	0.4854
	Market Purchase			08 Apr 2016	3973	332991	0.4913
	Market Sale			15 Apr 2016	(11214)	321777	0.4748
	Market Purchase			22 Apr 2016	2021	323798	0.4777
	Market Purchase			29 Apr 2016	653	324451	0.4787
	Market Purchase			06 May 2016	7634	332085	0.4900
	Market Sale			13 May 2016	(1526)	330559	0.4877
	Market Sale			20 May 2016	(1500)	329059	0.4855
	Market Purchase			27 May 2016	451	329510	0.4862
	Market Sale			03 Jun 2016	(8492)	321018	0.4736
	Market Purchase			10 Jun 2016	25250	346268	0.5109
	Market Purchase			17 Jun 2016	100675	446943	0.6594
	Market Sale			24 Jun 2016	(78957)	367986	0.5429
	Market Sale			30 Jun 2016	(5883)	362103	0.5343
	Market Purchase			01 Jul 2016	11155	373258	0.5507
	Market Sale			08 Jul 2016	(1918)	371340	0.5479
	Market Sale			15 Jul 2016	57490	428830	0.6327
	Market Purchase			22 Jul 2016	(46548)	382282	0.5640
	Market Sale			29 Jul 2016	(2058)	380224	0.5610
	Market Sale			05 Aug 2016	(21519)	358705	0.5293
	Market Sale			12 Aug 2016	(5404)	353301	0.5213
	Market Purchase			19 Aug 2016	95201	448502	0.6617
	Market Sale			26 Aug 2016	(3019)	445483	0.6573
	Market Sale			02 Sep 2016	(15104)	430379	0.6350
	Market Sale			09 Sep 2016	(9295)	421084	0.6213
	Market Sale			16 Sep 2016	(1248)	419836	0.6194
	Market Purchase			23 Sep 2016	23575	443411	0.6542
	Market Purchase			30 Sep 2016	11588	454999	0.6713
	Market Sale			07 Oct 2016	(5486)	449513	0.6632
	Market Purchase			14 Oct 2016	14059	463572	0.6840
	Market Sale			21 Oct 2016	(6377)	457195	0.6746
	Market Purchase			28 Oct 2016	82997	540192	0.7970
	Market Purchase			04 Nov 2016	53527	593719	0.8760
	Market Purchase			11 Nov 2016	26171	619890	0.9146
	Market Sale			18 Nov 2016	(94885)	525005	0.7746
	Market Purchase			25 Nov 2016	12257	537262	0.7927
	Market Sale			02 Dec 2016	(731)	536531	0.7916
	Market Purchase			09 Dec 2016	3900	540431	0.7974
	Market Sale			16 Dec 2016	(3596)	536835	0.7921
	Market Sale			23 Dec 2016	(1017)	535818	0.7906
	Market Sale			30 Dec 2016	(31429)	504389	0.7442
	Market Purchase			06 Jan 2017	5504	509893	0.7523
	Market Sale			13 Jan 2017	(5479)	504414	0.7442
	Market Purchase			20 Jan 2017	57331	561745	0.8288
	Market Sale			27 Jan 2017	(29348)	532397	0.7855

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. Of shares	No of shares held	% Of total shares of the company
	Market Sale			03 Feb 2017	(13785)	518612	0.7652
	Market Purchase			10 Feb 2017	29099	547711	0.8081
	Market Sale			17 Feb 2017	(18181)	529530	0.7813
	Market Sale			24 Feb 2017	(878)	528652	0.7800
	Market Purchase			03 Mar 2017	9924	538576	0.7946
	Market Sale			10 Mar 2017	(9347)	529229	0.7809
	Market Sale			17 Mar 2017	(2299)	526930	0.7775
	Market Purchase			24 Mar 2017	11095	538025	0.7938
	Market Purchase			31 Mar 2017	99025	637050	0.9399
	AT THE END OF THE YEAR					637050	0.9399
8	MAHIMA STOCKS PRIVATE LIMITED	771199	1.1379			771199	1.1379
	Market Sale			03 Jun 2016	(196001)	575198	0.8487
	AT THE END OF THE YEAR					575198	0.8487
9	MARIO OSCAR FRANCIS LOBO	593428	0.8756			593428	0.8756
	Market Sale			29 Jul 2016	(35118)	558310	0.8238
	Market Purchase			05 Aug 2016	2076	560386	0.8268
	Market Purchase			12 Aug 2016	30042	590428	0.8711
	Market Sale			02 Sep 2016	(300000)	290428	0.4285
	Market Purchase			16 Sep 2016	61796	352224	0.5197
	Market Purchase			23 Sep 2016	129388	481612	0.7106
	Market Purchase			02 Dec 2016	7807	489419	0.7221
	AT THE END OF THE YEAR					489419	0.7221
10	AADI FINANCIAL ADVISORS LLP	579585	0.8551			579585	0.8551
	Market Sale			14 Oct 2016	(100000)	479585	0.7076
	AT THE END OF THE YEAR					479585	0.7076
11	VALLABH ROOPCHAND BHANSHALI	393200	0.5801			393200	0.5801
	Market Sale			14 Oct 2016	(50000)	343200	0.5064
	AT THE END OF THE YEAR					343200	0.5064
12	RELIANCE CAPITAL LIMITED	1943000	2.8668			1943000	2.8668
	Market Sale			31 Mar 2017	(1943000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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	**Rajesh S. Jain -** (Whole Time Director)				
	At the beginning of the year	9599345	14.21	9599345	14.21
	Date wise Increase / Decrease in Shareholding During the year specifying the reason for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the End of the year	9599345	14.16	9599345	14.16
2	**Shailesh S. Jain-** (Non- Executive Director)				
	At the beginning of the year	6299340	9.32	6299340	9.32
	Date wise Increase / Decrease in Shareholding During the year specifying the reason for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the End of the year	6299340	9.29	6299340	9.29

Sl. No.	For Each of the Directors and KMP	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
3	**Bherulal Choudhary –** Independent Director	None of the Directors hold shares in the Company			
4	**Shyam Sunder Deo -** Independent Director				
5	**Sanjay Bhatnagar -** Independent Director				
6	**Priyamvada Bhumkar –** Independent Director (upto 08.08.2016)				
7	**Archana Capoor-** Independent Director- (w.e.f 10.01.2017)				
	At the beginning of the year				
	Date wiseIncrease / Decrease in Shareholding During the year specifying the reason for increase/decrease(e.g. allotment / transfer / bonus/ sweatequity etc):				
	At the end of the year				
8	**Amit Sudhakar** (Chief Financial Officer)				
	At the beginning of the year	3000	0.00	3000	0.00
	Date wise Increase / Decrease in Shareholding During the year specifying the reason for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	3000	0.00	3000	0.00
9	**Ganesh Tawari** (Company Secretary)				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Shareholding During the year specifying the reason for increase/decrease(e.g. allotment / transfer / bonus/ sweatequity etc):	No Change			
	At the end of the year	10	0.00	10	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,035,798,572*	-	-	8,035,798,572
ii)Interest due but not paid	1,438,526	-	-	1,438,526
iii) Interest accrued but not due	9,234,114	-	-	9,234,114
Total (i+ii+iii)	**8,046,471,212**	**-**	**-**	**8,046,471,212**
Change in Indebtedness during the financial year				
Addition	1,996,061,257	150,000,000	-	2,146,061,257
Reduction	572,954,791	150,000,000	-	722,954,791
Net Change	**1,423,106,466**	**-**	**-**	**1,423,106,466**
Indebtedness at the end of the financial year				
i) Principal Amount	9,450,033,545		-	9,450,033,545
ii) Interest due but not paid	0		-	0
iii) Interest accrued but not due	19,544,133			19,544,133
Total (i+ii+iii)	**9,469,577,678**			**9,469,577,678**

***** Due to adoption of IND-AS w.e.f. 1st April 2016 figure of previous year are regrouped in the current year

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Mr. Rajesh Suresh Jain, Whole Time Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	-	-
	(b) Value of perquisites u/s17(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	-	-
	Total (A)	NIL	NIL
	Ceiling as per the Act	NIL	NIL

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

B. Remuneration to the directors:

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount in Rs.
1.	Independent Directors	**S. V. Deo**	**Bherulal Choudhary**	**Sanjay Bhatnagar**	**Priyamvada Bhumkar**	**Archana Capoor**	
	Fee for attending board committee meeting	1,75,000	2,00,000	35,000	-	30,000	4,40,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	**1,75,000**	**2,00,000**	**35,000**		**30,000**	**4,40,000**
2.	Other Non-Executive Directors	**Shailesh Jain**					
	Fee for attending board committee meeting	1,50,000	-	-			1,50,000
	Commission	-	-	-			-
	Others, please specify	-	-	-			-
	Total (2)	**1,50,000**	**-**	**-**			**1,50,000**
	Total (B)=(1+2)						**5,90,000**
	Total Managerial Remuneration						5,90,000
	Over all Ceiling as per the Act	NA					

C. REMUNERATION TO KEYMANAGERIAL PERSONNEL OTHERT HAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Chief Financial Officer
		Mr. Ganesh Tawari	Mr. Amit Sudhakar
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,64,868	31,12,202
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	32400
	(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 Car Hiring Charges		
6	Total	22,97,268	31,44,602

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review, the Company has made delay in compliance of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and made delay of 9 days in submission of Unaudited Financial Results of the Company for the quarter ended 31st December, 2016. The Company has submitted the said Financial Results on 23rd February, 2017 hence the Company has paid penalty of Rs. 5,000/- per day for 9 days to the BSE Limited and National Stock Exchange of India Limited.

On behalf of the Board of Directors
For EMCO LIMITED

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

May 27, 2017
Mumbai

ANNEXURE-F

(3) The report of the Board shall contain the following information and details, namely:-

(A) CONSERVATION OF ENERGY

(i) Initiatives taken for sustainable conservation of energy:

1. Replaced 12.5HP air blower at Galvanizing Plant with 2 x 3HP air blowers, resulting in saving of electrical energy of 30,266 units per year, which is total amounting to INR 2.42 Lakh p.a.
2. Replaced existing Sodium Vapour lamps at Thane Plant with LED lamps, investing INR 10 Lakh, with an expected recurring saving of INR 5 Lakh p.a.
3. Refurbished the Chilling plant cannibalizing old compressor & fans, facilitating use of a cheaper 03TR Chiller instead of more expensive 11 TR Chiller for the CG Oven, effecting a recurring energy saving to the tune of 1,1520 units p.a. worth Rs 0.92 Lakh p.a.
4. Replaced 12 no. 125 W HPMV Lamps with 7 Watt LED lamps at Reception Hall and in Parking area, resulting in recurring energy saving of about 6,572 units p.a. worth INR 0.39 Lakh p.a.
5. At J2Fab Plant, optimized the layout of compressed air supply by restricting the 30 HP Compressor supply for Fabrication shop & 40 HP Compressor supply for shot-blasting plant instead of using 40 HP Air Compressor for the entire plant, thereby effecting a recurring energy saving to the tune of 36,000 units p.a. worth INR 2.80 Lakh p.a.

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

NIL

(iii) The capital investment on energy conservation equipments; INR 10.50 Lakh

(B) TECHNOLOGY ABSORPTION -

(i) The efforts made towards technology absorption:

Installed and absorbed Creo Parametric 3.0 Modeling Software technology for mechanical design of transformers with enhanced reliability and accuracy, at an investment of INR 15.61 Lakh.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Upgradation of infrastructure for product improvement

a) The transformer assembly shop, encompassing a floor area of about 1426 sq m, upgraded to create pressurized and dust-free environment by providing aesthetically pleasing metal-clad and glass enclosure and shutters and installing 1,20,000 CFM capacity Air Handling Units equipped with 3 μm air filters, at an investment of INR 130 Lakh.

   This brings our facility at par with the best industry standards for production of transformers under clean environment to support sustainable product quality and reliability with enhanced service life.

b) Installation of a state-of-the-art Isostatic Hydraulic Pressing System for Winding shop for winding stabilization at an investment of INR 95.00 Lakh. This will help enhance short-circuit strength of the windings, especially of large rating power transformers.

c) Developed screw jack for SST supports in-house with robust design as per site requirement; it resulted in saving of INR 5.00 Lakh.

d) In-house conversion of 100 no. old five-sheave rollers in to seven-sheave rollers for Orai - Aligarh Project, accruing a capital saving to the tune of INR 45.00 Lakh.

e) Improvised the existing site stringing tools and plant, saving new capital investment to the tune of INR 150.00 Lakh.

Addition of Infrastructure for product improvement:

1) Up-gradation of Transformer Testing Facility at Jalgaon Plant to facilitate measurement of partial discharges to fulfill requirements of IEC 60076.

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

(a) The details of technology imported – **NIL**

(b) The year of import- **NIL**

(c) Whether the technology been fully absorbed- **NIL**

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and - **NIL**

(iv) The expenditure incurred on Research and Development.

The expenditure incurred on Research and Development- INR 225.15 Lakh

(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow **s.**

A. Foreign Exchange Earning = INR 111.11 Crore

B. Foreign Exchange Outgo = INR 101.35 Crore

ANNEXURE-G

Report on Corporate Social Responsibility Activities

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

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

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

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

   Through these projects, EF has so far reached 83,575 people and transformed their lives.

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

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

   CSR Expenditure and Monitoring of Programs:

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

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

2. **The composition of CSR Committee**.
   - S. V. Deo - Chairman
   - Bherulal Choudhary - Member
   - Sanjay Bhatnager - Member
3. Average Net Profit/(Loss) of the company for the last three financial year: **Rs. (1,191.61 Lakhs)**
2. Prescribed CSR expenditure (two percent of the amount as in item 3 above): **Not Applicable**
3. **Detail of CSR spent during the financial year 2016-17** ;
   a) Total Amount spent for the financial year : **Rs. 11.52 Lakhs**
   b) Amount unspent, if any: Not Applicable

(All amounts in Lakhs , unless otherwise stated)

	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs		Amount Outlay (budget) Project or Program wise	Amount Spent on Projects or Programs		Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
			Local Area or Other	Specify the state and district where projects or programs were undertaken		Direct Expenses	Overheads		
1	Project Yashasvi	Education	Thane, Jalgaon, Vadodara	Thane-Maharashtra Jalgaon-Maharashtra Vadodara-Gujarat	7.84	7.81	0.03	7.84	Direct: Emco Foundation
2	Project Parivartan	Education	Thane, Jalgaon	Thane-Maharashtra Jalgaon-Maharashtra	3.24	2.97	0.27	3.24	Emco Foundation with NGO: ZEP Social Action & Trust
3	Project Ankur	Environment	Thane	Thane-Maharashtra	0.04	0.04	-	0.04	Emco Foundation with NGO: Hariyali
4	Daan Utsav	Other	Thane, Jalgaon, Vadodara	Thane-Maharashtra Jalgaon-Maharashtra Vadodara-Gujarat	0.03	0.03	-	0.03	Emco Foundation with NGO: GOONJ
5	Other			Others	0.37	0.37		0.37	Other Overheads
			Total		**11.52**	**11.22**	**0.30**	**11.52**	

We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with the CSR Objectives and Policies of the Company.

sd/-
Rajesh S Jain
Chairman
(DIN: 00005829)

sd/-
S. V. Deo
Chairman - CSR Committee
(DIN: 00210554)

May 27, 2017
Mumbai

Annexure- H

THE DISCLOSURES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES

Sl. No.		Particulars	Status of compliance
A		Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Refer Note 1b (i) (b) in financial Statement
B		Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 -Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	(Rs. 10.18)
C		Details related to ESOS / RSU / Trust	
	i	A description of each ESOS that existed as any time during the year including general terms and conditions of each ESOS, including –	**Details are provided in Annexure -1**
		(a) Date of shareholders' approval	
		(b) Total number of options approved under ESOS	
		(c) Vesting requirements	
		(d) Exercise price or pricing formula	
		(e) Maximum term of options granted	
		(f) Source of shares (primary, secondary or	
		(g) Variation in terms of options	
	ii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
	iii	Method used to account for ESOS – Intrinsic or Fair Value	Intinsic value method used for option vested before upto 31.03.2015 Fair Value method used for options vested after 01.04.2015
	iv	Option movement during the year (for each ESOS)	**Details are provided in Annexure – 2**
	v	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	**Details are provided in Annexure - 3**
	vi	**Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to**	
		a) Senior Managerial personnel;	During the year no options granted to any senior Managerial personnel of the Company.
		b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	**Annexure - 4**
		c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No employee of the Company received grant of options during the year amounting to exceeding 1 % of issued capital of the Company
	vii	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	
		a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	**Details are provided in Annexure – 3**
		b) the method used and the assumptions made to incorporate the effects of expected early exercise;	
		c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
		d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
D		Details related to ESPS	**Not Applicable**
E		Details related to SAR	**Not Applicable**
F		Details related to GEBS / RBS	**Not Applicable**
G		Details related to Trust	**Not Applicable**

Annexure-1

	Particulars	ESOS 2006	ESOS 2011	ESOS 2015
1	Date of shareholders' Approval	24th April, 2006	29th April, 2011	22nd January, 2015
2	Total number of options approved under ESOS	4,00,000 options	30,00,000 options	30,00,000 options
3	Vesting Requirements	Vesting of the options granted to the employees may be either in one stroke, or in graded manner within such period from the date of their respective grant, as may be prescribed by the committee, subject to minimum vesting period of 1 year from the date of grant of the options.	Vesting of the options granted to the Employees may be either in one or more tranches or in graded manner within such period from the date of their respective grant and subject to such terms and conditions of vesting, as may be decided by the Board of Directors/ ESOP and Preferential Issue Committee. The vesting period shall commence after expiry of one year from the date of grant of the options.	The vesting period shall be one year after the date of grant of the option
4	Exercise price or pricing formula	Option have been granted at the closing market price of the equity shares of the Company one day prior to the date of grant		
5	Maximum term of options granted	3 years from the date of each vesting.	3 years from the date of each vesting.	7 years from the date of each vesting.
6	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
7	Variation in terms of options	NIL	NIL	NIL

Annexure- 2

Option movement during the year (for each ESOS)

Sl No.	Particulars	ESOS -2006	ESOS -2011	ESOS -2015
1	Number of options outstanding at the beginning of the period	10,680 options	17,80,100 options	NIL
2	Number of options granted during the year	NIL	NIL	33,825 options
3	Number of options forfeited / lapsed during the year	5,320 options	5,31,567 options	9,710 options
4	Number of options vested during the year	NIL	3,37,498	NIL
5	Number of options exercised during the year	NIL	1,99,998 option	NIL
6	Number of shares arising as a result of exercise of options	Not Applicable	1,99,998 shares	NIL
7	Money realized by exercise of options (INR)	Not Applicable	Rs. 32 lakh	NIL
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
9	Number of options outstanding at the end of the year	5,360 options	10,48,535 options	24,115 options
10	Number of options exercisable at the end of the year	5,360 options	2,02,700 options	NIL

Annexure -3

	Particulars	ESOS- 2006	ESOS- 2011	ESOS- 2015
F	Weighted average exercise price of Options granted during the year whose	**1st April 2016-31st March 2017**		
a)	Exercise price equals market price	N.A.	N.A.	Rs. 32.16/-
b)	Exercise price is greater than market price	N.A.	N.A.	N.A.
c)	Exercise price is less than market price	N.A.	N.A.	N.A.
	Weighted average fair value of Options granted during the year Whose	**1st April 2016-31st March 2017**		
a)	Exercise price equals market price	N.A.	N.A.	Rs. 15.60/-
b)	Exercise price is greater than market price	N.A.	N.A.	N.A.
c)	Exercise price is less than market price	N.A.	N.A.	N.A.
G	Method and Assumptions used to estimate the fair value of options granted during the year			
	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows	**1st April 2016-31st March 2017**		
		Weighted Average Assumptions		
	1. Risk Free Interest Rate	N.A.	N.A.	6.48% - 7.04%
	2. Expected Life (in years)	N.A.	N.A.	2.5-4.5
	3. Expected Volatility	N.A.	N.A.	49.35% - 57.54%
	4. Dividend Yield	N.A.	N.A.	-
	5. Price of the underlying share in market at the time of the option grant (Rs)	N.A.	N.A.	Rs. 33.00/- – Rs. 33.60/-
	Fair Value	N.A.	N.A.	Rs. 12.64/- to Rs. 19.63 /-

Annexure- 4

Sl No.	Employee Name	Designation	Grant Date	Options Granted	Scheme
1	Abhishek Chanda	Senior Engineer- Marketing	26/07/2016	2,125	ESOS 2015
2	Anand Surekha	Senior Manager- Projects	26/07/2016	4,550	
3	Ashutosh Dixit	Project Incharge	26/07/2016	2,300	
4	Jignesh Thakkar	Manager – Business Development	26/07/2016	5,460	
5	Manish Agarwal	Manager- Accounts & Commercial	26/07/2016	4,250	
6	Vandana Kudalkar	DGM- Quality/ Safety	26/07/2016	7,640	
7	Amit Singh	DGM – Marketing	12/10/2016	7,500	

CORPORATE GOVERNANCE REPORT

1. Corporate Governance Philosophy

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

The Company has articulated and implemented its corporate values across all its business establishments and continuously monitors its effectiveness through various processes, apart from initiating the process of Corporate Governance in compliance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 by implementing not only the mandatory items but also non mandatory items, details of which are enumerated in the paragraph here-in-below.

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

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

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

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

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

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

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

GOVERNANCE STRUCTURE

2. Board of Directors

A) Composition:

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

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

The following is the composition of the Board of Directors of the Company as on 31st March 2017:-

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

The Company has thus complied with the requirement of having at least half of the Board members as Independent Director.

Name of Director	Designation	Category	Particulars of other Directorship, Committee Memberships/ Chairmanships		
			*Other Directorships	#Committee Memberships	#Committee Chairmanships
Executive Director					
Mr. Rajesh S. Jain (1)	Chairman	Promoter	7	Nil	Nil
Non-Executive Directors					
Mr. Shailesh S. Jain (1)	Vice Chairman	Promoter	7	1	Nil
Mr. S. V. Deo	Director	Independent	1	1	Nil
Mr. Bherulal Choudhary	Director	Independent	2	3	1
Mr. Sanjay Bhatnagar	Director	Independent	Nil	Nil	1
Mrs. Priyamvada A. Bhumkar (upto 08.08.2016)	Woman Director	Independent	1	2	Nil
Mrs. Archana Capoor (w.e.f 10.01.2017)	Woman Director	Independent	6	2	Nil

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

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

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

B) Meetings and Attendance:

During the financial year ended on 31st March 2017 total 4 (Four) meetings of the Board of Directors were held. The maximum gap between two meetings was well within the period prescribed under Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Sr. No.	Date of Board Meeting	Board Strength	Number of Directors Present
1	30th May, 2016	6	5
2	9th August, 2016	5	4
3	22nd November, 2016	5	4
4	23rd February, 2017	6	5

During the year under review, the Board of Directors has passed a resolution by way of circulation for appointment of Mrs. Archana Capoor as Additional Director on the Board of the Company with effect from 10th January, 2017.

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

Sr. No.	Name of Director	Number of Board Meetings attended	Attendance at the last AGM
1	Mr. Rajesh S. Jain	4	Yes
2	Mr. Shailesh S. Jain	4	No
3	Mr. S. V. Deo	4	Yes
4	Mr. Bherulal Choudhary	4	No
5	Mr. Sanjay Bhatnagar	1	No
6	Mrs. Priyamvada A. Bhumkar (upto 08.08.2016)	0	Not Applicable
7	Mrs. Archana Capoor (w.e.f 10.01.2017)	1	Not Applicable

C) Number of shares and convertible instruments held by Non-Executive Directors:

Details of shares and convertible instruments held by Non-Executive Directors during the financial year under review are as under:

Director	No. of Equity Shares	Convertible instruments
Mr. Shailesh S. Jain (Non Independent Director)	62,99,340	N.A.
Mr. S. V. Deo (Independent Director)	Nil	N.A.
Mr. Sanjay Bhatnagar (Independent Director)	Nil	N.A.
Mr. Bherulal Choudhary (Independent Director)	Nil	N.A.
Mrs. Priyamvada Bhumkar (Independent Director) (Up to. 08.08.2016)	Nil	N.A.
Mrs. Archana Capoor (Additional Director) (W.e.f. 10.01.2017)	Nil	N.A.

D) Details of familiarisation programmes of independent directors can be accessed on the web link:

http://www.emco.co.in/pdf/Familiarization%20Programme%20for%20Independent%20Directors.pdf

E) Non-Executive Directors' Compensation and Disclosures:

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

i) Audit Committee,

ii) Stakeholders Relationship Committee,

iii) Nomination & Remuneration Committee,

iv) ESOP Committee

v) Finance & Administrative Committee

vi) Corporate Social Responsibility Committee

vii) Risk Management Committee

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

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

The details of sitting fees paid to Non-Executive Directors of the Company during F.Y. 2016-17 is as below:-

Name of Director	Sitting Fees (Rupees)
Mr. Shailesh S. Jain	1,50,000
Mr. Bherulal Choudhary	2,00,000
Mr. S. V. Deo	1,75,000
Mr. Sanjay Bhatnagar	35,000
Mrs. Priyamvada A. Bhumkar (upto 08.08.2016)	0
Mrs. Archana Capoor (W.e.f. 10.01.2017)	30,000
Total	**5,90,000**

F) Code of Conduct

The Company has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company, which has also been hosted on the website of the Company. Web link of the Code of Conduct can be accessed at: http://www.emco.co.in/code-of-conduct.html

The Company has received from all its Directors and Senior Management Personnel affirmation of compliance with the Code of Conduct for the year ended 31st March 2017.

Duties of Independent Directors:

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

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

3. COMMITTEES OF THE BOARD

Currently, there are Seven Committees of the Board viz. 1) Audit Committee 2) Stakeholders Relationship Committee 3) Nomination & Remuneration Committee 4) ESOP Committee 5) CSR Committee 6) Finance and Administrative Committee and 7) Risk Management Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The minutes of the Board Committee meetings are placed for information and noting of the Board.

A. Audit Committee

(i) Brief description of Terms of Reference:

The roles, powers and functions of Audit Committee specified by the Board are in conformity with the requirements of Regulation 18 read with Part - C of Schedule- II of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. Terms of reference of the Committee includes inter alia;

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure correctness, sufficiency and credibility of the Company's Financial Statements.

2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approving the payments to statutory auditors for other services rendered by them.
4. Reviewing with the management and external auditors, annual financial statements and results and auditors' report thereon before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
   - Changes, if any, in accounting policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgment by management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Modified opinion(s)/Qualifications in the draft audit report.
5. Reviewing the adequacy of internal control systems with the management, discussion with internal auditors, significant findings and follow up on them.
6. Review performance of Statutory Auditors and Internal Auditors.
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency.
9. Monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
10. Review and monitor the auditor's independence and performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties.
12. Valuation of undertaking or assets of the Company, wherever it is necessary.
13. Evaluation of Internal Financial Control and Risk Management system.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Reviewing findings of internal investigations by the Internal Auditors into matters like suspected frauds / irregularities / failures of internal control systems of material nature and reporting to the Board thereon.
16. Discussing pre audit matters about nature and scope of statutory audit and post audit discussion on areas of concern.
17. Discuss with Internal Auditors any significant finding and follow up thereon.
18. To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Reviewing issues related to risk management and compliances.
21. Reviewing financial statements, including Investments in subsidiary Companies.
22. Reviewing the functions of the Whistle Blower mechanism.
23. Scrutiny of Inter-Corporate loans & investments.
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Composition of the Committees:

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The composition, quorum, power, role and scope are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and possess experience in the field of finance, accounting and law. Mr. Ganesh Tawari, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. Composition of the Audit Committee during the year 2016-17 and status of the attendance of the members are as follows:

Name of Director	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Sanjay Bhatnagar	Chairman	4	1
Mr. Bherulal Choudhary	Member	4	4
Mr. S.V.Deo	Member	4	4
Mrs. Priyamvada A. Bhumkar (upto 08.08.2016)	Member	1	0

iii) Meetings of the Audit Committee:

During the financial year ended on 31st March, 2017 the Audit Committee met four times i.e. on 30th May, 2016, 9th August, 2016, 22nd November, 2016 and 23rd February, 2017. The maximum time gap between two meetings was not more than 120 days. Necessary quorum was present at all the meetings of the Committee.

The Chairman of the Audit Committee Mr. Sanjay Bhatnagar had authorised, on his behalf, Mr. S. V. Deo, a Member of Audit Committee to attend the 51st Annual General Meeting of the Company held on 29th September, 2016 at the registered office of the Company. Accordingly, he had attended the AGM and replied to the shareholder's queries. The Internal Auditor had also attended the meeting of the Audit Committee.

B) Nomination and Remuneration Committee:

(i) Brief description of Terms of Reference:

The Nomination and Remuneration Committee is constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule – II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with Stock Exchanges, to fix compensation / remuneration for Managing / Whole-time Directors, Key Managerial Personnel, Senior Management personnel and relatives of Directors.

The Nomination and Remuneration Committee is empowered to determine, inter-alia, include the following:

1. Formulate and review from time to time the criteria for determining qualifications, positive attributes and independence of directors for selection and appointment of Directors, Key Managerial Personnel and Senior Management employees and their remuneration.
2. Recommend policy relating to, the remuneration of Directors, Key Managerial Personnel and other employee.
3. Formulation of criteria for evaluation of performance of Independent Director and the Board of Directors.
4. Recommend to the Board of Directors for appointment and removal of Director and senior management employees.
5. Devising policy on diversity of Board of Directors.
6. Identifying and selection of candidates who are qualified for appointment as Directors / Independent Directors based on certain laid down criteria
7. Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions
8. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.
9. Whether to extend or continue term of appointment of Independent Director, based on the report on performance evaluation.

ii) Composition of the Committee:

The Nomination and Remuneration Committee comprises of three Non- Executive Directors. The Chairman of the Committee is a Non-Executive and Independent Director. Mr. Ganesh Tawari, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

iii) Meetings of the Nomination and Remuneration Committee and attendance of the members:

During the financial year ended on 31st March, 2017, the Nomination and Remuneration Committee met twice on 30th May, 2016 and 9th January, 2017. Necessary quorum was present at all the meetings of the Committee. Composition of the Nomination and Remuneration Committee during the year 2016-17 and status of the attendance of the members was as follows:

Name of the Directors	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Bherulal Choudhary (Independent Director)	Chairman	2	2
Mr. Shailesh S. Jain (Non- Executive Director)	Member	2	1
Mr. S. V. Deo (Independent Director)	Member	2	2

Remuneration of Directors:

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

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

b) Criteria of making payments to Non-Executive Directors:

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

c) Remuneration policy:

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

This Remuneration Policy applies to Directors, Senior Management including Key Managerial Personnel (KMP) of the Company.

1. Remuneration to Manager, Whole-Time Director / Executive Director / Managing Director:

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

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

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

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

Service contracts, notice period, severance fees;

The Service Contract entered with Whole Time Director is for 3 years w.e.f. 20th October 2014. The terms of employment stipulate a notice period of 6 (Six) months, for termination of appointment of whole Time Director and Executive Director, on either side. There is no provision for payment of severance fees.

2. **Remuneration to Non- Executive Director / Independent Director:**

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

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

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

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

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

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

3. **Remuneration to Key Managerial Personnel and Senior Management:**

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

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

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, CSR and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Director including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their separate meeting held on 23rd February, 2017. The Directors expressed their satisfaction with the evaluation process.

(C) Stakeholders Relationship Committee

(i) Brief description of Terms of Reference:

The Company has duly constituted a Stakeholders Relationship Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Committee looks into issue of duplicate share certificates, split, consolidation and sub-division of share certificates, re-materialisation of shares and investors grievances etc.

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

(ii) Composition and Status of the Attendance:

The Committee is headed by Mr. Bherulal Choudhary, an Independent - Non-Executive Director During the financial year ended on 31st March, 2017, the Committee met 4 (four) times on 30th May, 2016, 9th August, 2016, 22nd November, 2016 and 23rd February, 2017. The composition of the Committee during the year 2016-17 and status of attendance of the members is as follows:

Name of the Directors	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Bherulal Choudhary	Chairman (Independent Director)	4	4
Mr. Shailesh S. Jain	Member (Non-Executive Director)	4	4
Mr. Ganesh Tawari	Member (Company Secretary)	4	4

(iii) Name and designation of Compliance Officer:

Mr. Ganesh Tawari, has been appointed as Compliance Officer and can be contacted on the following address:

Address	Telephone Number	Fax Number	Email-id.
Plot No. F-5, Road No. 28, Wagle Industrial Estate, Thane-400604. Maharashtra, India	91-22- 4040 4646	91-22-2582 0571	ganesh.tawari@emco.co.in investorgrievance@emco.co.in investorrelation@emco.co.in

(iv) Complaints/ request received from Shareholders during the period 1st April 2016 to 31st March 2017 and its status:

During the financial year under review, 23 Complaints were received from the shareholders and all of which were resolved to the satisfaction of shareholders. No Complaint was pending at the end of the year. Break-up of requests /complaints received during the year are as under:

Sr. No	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1.	Non-receipt of Certificate	0	0	0	0
2.	Non-receipt of Dividend	0	10	10	0
3.	Non-receipt of Annual Report	0	5	5	0
4.	Others	0	8	8	0
	TOTAL	**0**	**23**	**23**	**0**

D) Corporate Social Responsibility (CSR) Committee:

(i) Brief description of Terms of Reference:

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

The Committee shall,

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

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

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

ii) Composition and the Chairman and Attendance:

The CSR Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The Committee met once during the Financial Year 2016-17 on 30th May, 2016. Composition of the CSR Committee during the year 2016-17 and status of the attendance of the members was as follows:

Name of the Director	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. S.V.Deo	Chairman	1	1
Mr. Bherulal Choudhary	Member	1	1
Mr. Sanjay Bhatnagar	Member	1	1

E) Risk Management Committee

i) **The terms of reference of the Risk Management Committee includes the following**:

- Identify and manage existing and new risks in a planned and coordinated manner with minimum amount of disruption and cost.
- Develop a "Risk" culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective actions.

ii) **To realize the risk management objective, the company aims to ensure that:**

- The identification and management of risk is integrated in the day to day management of business;
- Risks are identified, assessed in the context of the company's appetite for risk and their potential impact on the achievement of objectives, continuously monitored and managed to an acceptable level;
- The escalation of risk information in time, accurate and gives complete information on the risks to support decision making at all management levels;
- Risk is primarily managed by the business function transacting the business which gives rise to the risk; and
- All employees actively engage in risk management within their own areas of responsibility

iii) **Composition and status of Attendance:**

During the financial year ended on 31st March, 2017, the Committee met twice on 22nd November, 2016 and 23rd February, 2017. The attendance of the members of the Committee was as follows:

Name of Members	Position	No. of Meetings held during the year	No. of Meetings attended
Mr. Rajesh S. Jain	Chairman	2	2
Mr. Shailesh S. Jain	Member	2	2
Mr. S. V. Deo	Member	2	2
Mr. Amit Sudhakar, Chief Financial Officer	Member	2	2
Mr. Ganesh Tawari, Company Secretary & Compliance Officer	Member	2	2

F) Other Functional Committees

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

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

4. SUBSIDIARY COMPANIES:

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

   A. **Direct Subsidiaries** :

      I. **Indian** :

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

      II. **Foreign** :

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

   B. **Step Down Subsidiaries** :

      I. **Indian** :

      - EMCO Transmission Networks Limited

      II. **Foreign** :

      - PT Setenco Investa Niaga (Indonesia)

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

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

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

3. The Minutes of the Board of Directors of subsidiary companies are placed at the Meeting of the Board of Directors of the Company. All significant transactions and arrangements entered into by the subsidiary companies have been brought to the attention of the Board of Directors of the Company.

4. Policy on determining material subsidiaries of the Company can be accessed from following weblink:

   http://www.emco.co.in/pdf/policy/Policy%20on%20Material%20Subsidiary.pdf

5. DISCLOSURES:

(a) **Disclosure on Related Party Transactions:**

Related Party Transactions during the year have been disclosed vide Note No. 46, in Notes forming Part of financial statements as per the requirements of "Indian Accounting Standard – 24 on Related Party Disclosure" issued by the Institute of Chartered Accountants of India. The same were placed before the Audit Committee from time to time as required. None of these transactions have any potential conflict with the interests of the Company. No related party transaction was outside the normal course of business of the Company and all related party transactions were entered on arms length basis.

Policy for consideration and approval of Related Party Transactions of the Company can be accessed from following weblink:

http://www.emco.co.in/pdf/policy/RelatedPartyPolicy.pdf

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

The Company has complied with the statutory provisions, rules and regulations relating to the capital markets. However during the year under review, the BSE Limited and the National Stock Exchange of India Limited had levied penalty for delayed in submission of unaudited financial results of the Company for the quarter ended 31st December, 2016.

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

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

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

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

The Company has complied with all the mandatory requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman of the Audit Committee Mr. Sanjay Bhatnagar had authorized, on his behalf, Mr. S. V. Deo, a member of Audit Committee to attend the 51st Annual General Meeting of the Company held on 29th September, 2016 held at registered office of the Company, and replied to the shareholder's queries.

M/s. Rahul Birla & Company (FRN: 122589W), Internal Auditors of the Company usually submit its report to the Audit Committee from time to time.

(e) **Board Disclosures- Risk Management:**

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

6. GENERAL BODY MEETINGS

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

AGM	Year	Day & Date	Time	Special Resolution passed
49th	2013-14	Friday, August 8, 2014	11.30 a.m.	Yes. 1. For creating a charge on movable and immovable properties of the company pursuant to Section 180(1) (a) of the Companies Act,2013 2. For borrowing money with the money already borrowed but not exceeding Rs.2000 Crores.
50th	2014-15	Friday, September 25, 2015	11.30 a.m.	Yes. 1. Re-appointment of Mr. S. V. Deo, Independent Director for second term of five years 2. Re-appointment of Mr. Sanjay Bhatnagar, Independent Director for second term of five years 3. Re-appointment of Mr. Bherulal Choudhary, Independent Director for second term of five years 4. For creating a charge on movable and immovable properties of the company pursuant to Section 180(1) (a) of the Companies Act,2013 5. For borrowing money with the money already borrowed but not exceeding Rs.2500 Crores.
51st	2015-16	Thursday September 29, 2016	11:30 a.m.	Yes 1. Payment of Remuneration to Whole Time Director in Case of inadequacy of profit for the financial year 2016-17.

No resolution was passed through postal ballot last year.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a Special Resolution through Postal ballot.

7. MEANS OF COMMUNICATION

1. The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors through online compliance dissemination portals mandated by Stock Exchanges. The result(s) were published in 'Business Standard' and 'Lokmat'- Jalgaon Edition and is displayed on Company's website www.emco.co.in The Annual report is also posted to all shareholders of the Company.
2. The official news releases whenever made by the Company are immediately forwarded to stock exchanges before publication. They are also displayed on the website of the Company.
3. The quarterly financial statements, press releases, shareholding patterns and all other information disseminated to analysts/institutional investors are hosted on Company's website www.emco.co.in
4. In compliance of Regulation 6 of the Listing Regulation, the Company has created e-mail id investorgrievance@emco.co.in/ investorrelation@emco.co.in exclusively to redress investors/shareholders grievances and maintain relationship with them.

8. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE

During the year under review, the Company has made delay in the appointment of Woman Director on the Board of Directors of the Company. However the Company was in process of identifying a suitable candidate as Woman Director whose knowledge and experience would meet the business requirements of the Company. After detailed analysis, the Board of Directors appointed Smt. Archana Capoor (DIN: 01204170) as Additional Director (Non Executive- Independent Director) with effect from 10th January, 2017.

9. GENERAL SHAREHOLDERS' INFORMATION

(a) Appointment/Re-appointment of Directors:

1. Pursuant to Section 152 of the Companies Act, 2013 and any enactment thereto Mr. Rajesh S. Jain (DIN: 00005829) retire by rotation and being eligible, offer himself for re-appointment.
2. Pursuant to Sections 149,160 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mrs. Archana Capoor (DIN: 01204170) who was appointed as an Additional Director (Woman- Independent Director) in respect of which a notice in writing received from member along with requisite deposit as per Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, subject to the approval of members at the ensuing Annual General Meeting.

(b) Particulars of ensuing Annual General Meeting:

Venue	N-104, MIDC Area, Mehrun, Jalgaon - 425003
Time	11.30 A.M.
Day	Monday
Date	25th September, 2017
Financial Year ended	31st March 2017
Dividend Payment Date	Not Applicable

(c) Financial calendar (tentative):

Board Meeting	
1st Quarter Results for quarter ending 30th June 2017	On or before 14th August 2017
2nd Quarter Results for quarter ending 30th September 2017	On or before 14th November 2017
3rd Quarter Results for quarter ending 31st December 2017	On or before 14th February 2018
4th Quarter Results for quarter ending 31st March 2018	By 14th May 2018 (if unaudited) or by 30th May 2018 (if audited)

(d) **Stock Exchanges where shares are listed:**

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

(e) Status of Listing Fees:

The Company has paid Listing fees to BSE Limited and National Stock Exchange of India Limited and custodian fees to NSDL and CDSL within the prescribed time limit for the financial year 2016-17. The Company's shares have not been suspended from trading.

(f) Stock Market data:

(i) Monthly high and low quotations of the Company's shares on BSE and NSE during the financial year 2016-2017 are as follows.

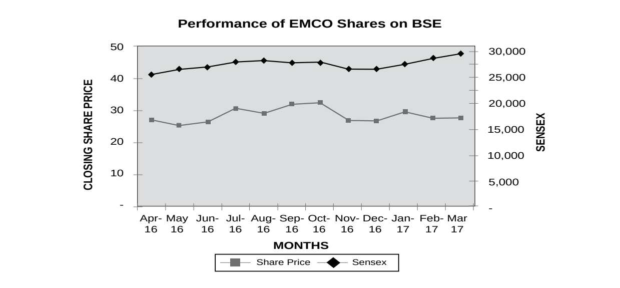
Month	BSE Monthly Price (Rupees)	
	High	Low
April,2016	28.90	25.45
May, 2016	28.45	24.10
June, 2016	28.70	23.50
July, 2016	33.90	26.25
August, 2016	32.80	28.00
September, 2016	37.40	27.70
October, 2016	35.15	30.50
November, 2016	35.45	24.40
December, 2016	29.10	25.90
January,2017	33.00	26.80
February, 2017	33.45	27.20
March , 2017	29.00	25.75

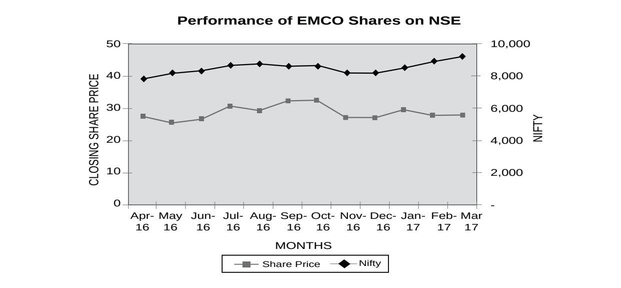
(Source: www.bseindia.com)

Month	NSE Monthly Price (Rupees)	
	High	Low
April, 2016	28.95	25.15
May, 2016	28.45	24.40
June, 2016	28.90	23.20
July, 2016	33.80	26.50
August, 2016	32.50	27.80
September, 2016	37.35	27.60
October, 2016	35.15	30.00
November, 2016	35.40	24.30

Month	NSE Monthly Price (Rupees)	
	High	Low
December, 2016	29.90	25.75
January, 2017	33.25	26.60
February, 2017	33.90	27.85
March , 2017	29.15	25.75

(Source: www.nseindia.com)





Source: www.bseindia.com)

(Source: www.nseindia.com)

(g) Registrar and Transfer Agents:

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

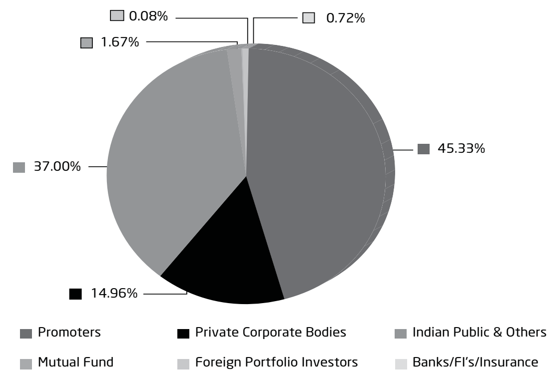
(h) Share Transfer System:

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

(i) Distribution of Shareholding as on 31st March 2017:

Range	Number of Holders	% to Total Holders	Shareholding (Shares)	% to Total Capital
1 - 5,000	23,918	97.24	12,350,784	18.22
5,001 - 10,000	361	1.47	2,785,288	4.11
10,001 - 20,000	158	0.64	2,304,368	3.40
20,001 - 30,000	49	0.20	1,207,979	1.78
30,001 - 40,000	23	0.09	812,001	1.20
40,001 - 50,000	21	0.09	983,310	1.45
50,001 - 1,00,000	25	0.10	1,708,874	2.52
1,00,001 and above	42	0.17	45,623,279	67.31
TOTAL	**24,597**	**100**	**67,775,883**	**100**

Shareholding pattern as on 31st March 2017



Categories of Shareholding as on 31st March 2017

	Category	No. of Shares Held	Percentage of Shareholding
A	**Promoter's holding**		
	Promoter and Promoter group		
a.	- Individual/ HUF	2,23,65,140	32.9987
b.	- Bodies Corporate	83,55,858	12.3287
	Sub-Total (A)	**3,07,20,998**	**45.3274**
B	**Public Shareholding**		
	Institutional Investors		
a.	Mutual Funds and UTI	11,32,854	1.6715
b.	Banks, Financial Institutions and	4,85,914	0.7170
	Insurance Companies		
c.	Central/State Govt. Institutions/Non- government institutions	-	-
d.	Foreign Portfolio Investors	54,500	0.0804
	Non- Institutional Investors		
e.	Individuals	2,18,04,121	32.171
f.	Hindu Undivided Family	17,87,638	2.6376
g.	Non Resident Indians (Non- Repat)	2,61,982	0.3865
h.	Non Resident Indians (Repat)	3,85,548	0.5689
i.	Clearing Member	941414	1.39
j.	Bodies Corporate	1,01,37,489	14.9574
k.	Others	63,425	0.0936
	Sub-Total (B)	**3,70,54,885**	**54.6739**
	GRAND TOTAL (A+B)	**6,77,75,883**	**100.00**

(j) Dematerialisation of shares & Liquidity:

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

As on 31st March, 2017, total 6,75,40,736 Equity shares constituting 99.65% of the issued, subscribed and paid up share capital of the Company are held in dematerialised form and 2,35,147 Equity share constituting 0.35% of the issued, subscribed and paid up share capital of the Company are held in physical form. The Company's shares were regularly traded on the National Stock Exchange of India Limited and BSE Limited. 100% of the holding of the Promoters and Promoters Group are in Dematerialised Form. Details of shareholding of the Company in dematerialised and physical Mode are as under:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	13,997	5,73,89,785	84.68%
CDSL	10,144	1,01,50,951	14.97%
Total	**24,141**	**6,75,40,736**	**99.65%**
Physical Mode	456	2,35,147	0.35%
Grand Total	**24,597**	**6,77,75,883**	**100%**

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

No GDR/ ADR are outstanding as at 31st March 2017.

No warrants are outstanding as at 31st March 2017.

(l) Plant Locations are as under:

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

(m) Address for Investor Correspondence:

Sr. No.	For Shares held in Physical Form	For Shares held in Demat Form
1.	**Registrar & Transfer Agents :** **M/s. Link Intime India Pvt Ltd,** C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083 Tel: +91 22 49186000 Fax: +91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in	To respective Depository Participant
2.	**Head Office:** **EMCO Limited**, Plot No. F – 5, Road No. 28, Wagle Industrial Estate, Thane (West) – 400 604 Tel: +91-22- 40404500 Fax: +91-22-25820571 Email ganesh.tawari@emco.co.in	

(n) CEO/CFO certification:

Certification from Mr. Rajesh S Jain, Chairman (Whole Time Director) and Mr. Amit Sudhakar, Chief Financial Officer, in regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, for Financial Year 2016-17 was placed before the Board at its meeting held on 27th May, 2017 and also form part of this Annual Report.

Declaration by Chief Executive Officer (CEO)

I, Rajesh S Jain, Chairman of the EMCO Limited hereby declare that all the Board members and Senior Managerial Personnel have affirmed for the year ended 31st March 2017 compliance with the Code of Conduct of the Company laid down for them pursuant to Regulation 17 (5)read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 .

On behalf of the Board of Directors
For EMCO LIMITED

May 27, 2017
Mumbai,

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

CEO/CFO certification:

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

a) We have reviewed financial statements and the cash flow statement for the year ended 31.03.2017 and that to the best of our knowledge and belief:

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

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

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

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

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

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

    iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours faithfully

Sd/-

Rajesh S. Jain
WTD & Chairman
(DIN: 00005829)

Mumbai
May 27, 2017

Yours faithfully

Sd/-

Amit Sudhakar
Chief Financial Officer
ICAI Membership No.:90429

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

EMCO Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with EMCO Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No. 101720W)

Sd/-
....
Amit Chaturvedi
Partner
Membership No.: 103141
Mumbai 27th May 2017

For P. Raj & Co.
Chartered Accountants
(Registration No. 108310W)

Sd/-
....
S. V. Chheda
Partner
Membership No.: 103938
Mumbai 27th May 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Emco Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Emco Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its loss (financial performance) including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Matter of Emphasis in Auditors' report

Attention is invited to following notes of Audited Accounts:

a) Note no. 51 regarding the overdrawn credit facilities including interest of Rs. 32,080 Lakhs and term loan instalments of Rs. 1,304.38 Lakhs that are due for repayment and interest payable on term loan of Rs. 646.69 Lakhs. Company has approached its lenders to restructure the debts under the aegis of S4A scheme. Management of the company is confident that S4A scheme will be approved by lenders resulting into improved liquidity and profitability and therefore, these financial statements are prepared on going concern basis.

b) Note no. 9 (a) of accompanying financial statement in respect of the outstanding dues and liquidated damages / deduction made by two customers aggregating to Rs. 7,549.17 Lakhs, which are carried as Trade Receivables. The company has filed legal case against the customers for the recovery of the same. Pending outcome of the matter which is presently unascertainable, no adjustments have been made in accompanying financial results.

c) Note no. 9 (b) of accompanying financial statement relating to uncertainties relating on recoverability of trade receivables Rs. 21,285.72 Lakhs, as at March 31 2017, raised in the earlier years in respect of supplies or projects closed or substantially completed and where the claims are currently under negotiations and discussions with the customers. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the financial statements.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
   e) The matters described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
   f) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 47 (II) to the standalone Ind AS financial statements.
      ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
      iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the Management. Refer Note No. 42 to the standalone financial statements.

For CHATURVEDI & SHAH
Chartered Accountants
(Firm Registration no. : 101720W)

Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai
Date: 27th May 2017

For P. RAJ & CO.
Chartered Accountants
(Firm Registration No. : 108310W)

S. V. Chheda
Partner
Membership No. : 103938

Mumbai
Date: 27th May 2017

"Annexure A" to Independent Auditors' Report referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

1) In respect of its fixed assets :

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

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

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

2) In respect of Inventories:

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

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

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

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

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

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

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

7) In respect of Statutory dues :

   a) According to the records of the Company, there have been delays in depositing undisputed statutory dues of Tax Deducted at Source, Sales Tax, VAT, Service Tax, LBT, Excise Duty with appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues of income tax, custom duty, Provident Fund, ESIC and other material statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Amount (Rupees)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	West Bengal VAT	77,30,205	2007-08 & 2009 -10	Joint Commissioner of Sales Tax, Behala Circle
Sales Tax Act	Jharkhand VAT	27,98,182	2009-09 & 2010 -11	Deputy Commissioner of Commercial Tax
Sales Tax Act	Rajasthan VAT	9,71,76,846	2011-12 & 2012 -13	Rajasthan Tax Board, Ajmer.
Sales Tax Act	Maharashtra VAT	16,68,76,205	2005 -06	Joint Commissioner, Mazgaon.
Sales Tax Act	Uttar Pradesh VAT	6,64,000	2011 -12	Assistant Commissioner Sales Tax, Barabanki, Circle-1
Sales Tax Act	Rajasthan VAT	1,62,466	2012 -13	Assistant Commissioner Works & Leasing Tax Bikaner, Rajasthan
Sales Tax Act	Karnataka VAT	30,694,775	2008-09 & 2010-11	Deputy Commissioner Commercial tax (Audit)
Central Excise Act	Short Payment of Duty	697,889	2007-08	Customs, Excise and Service Tax Appellate, Mumbai
Central Excise Act	Excise Duty	1,25,99,049	2007-08, 2009-10, 2011-13	Additional Commissioner Central Excise & Customs
Central Excise Act	Excise Duty	86,27,775	2009-10	Commissioner of central excise & Customs, Nasik
Central Excise Act	Excise Duty	1,06,32,851	Oct 2013 to May 2014	Customs, Excise and Service Tax Appellate,
Central Excise Act	Excise Duty	3,83,85,129	April 2009-Sept 2013	Commissioner of central excise & Customs, Ahmedabad
Central Excise Act	Excise Duty	12,63,37,485	Nov,2001 to May 2015 &April,2009 to Aug,2010	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act	Excise Duty	861,560	April 2009 to May 2015	Assistant Commissioner of Central Excise, Thane
Central Excise Act	Excise Duty	2,57,41,820	2006-2012	Commissioner of Central Excise and Custom
Central Excise Act	Excise Duty	14,209,518	July.2011 to Feb.2012	Commissioner, Central Excise & Customs, Nasik
Central Excise Act	Excise Duty	4,151,743	July.2011 to Feb.2012	Additional Commissioner, Central Excise & Customs, Nasik
Central Excise Act	Excise Duty	586,412	March 2007 to June 2008	Customs, Excise and Service Tax Appellate
Central Excise Act	Excise Duty	21,61,338	April 2014 to July 2015	Asst. Commissioner of Central Excise & Customs, Jalgaon
Central Excise Act	Excise Duty	76,39,516	October 2006 to March 2011	Commissioner (Appeals), Central Excise and Customs, Vadodra
Central Excise Act	Excise Duty	3,91,264	April 2011 to February 2011	Additional Commissioner of Central Excise & Customs, Vadodra
Central Excise Act	Excise Duty	92,97,306	June 2014 to February 2015	Commissioner of Central Excise & Customs, Vadodra
Central Excise Act	Excise Duty	46,23,485	March 2015 to October 2015	Additional Commissioner of Central Excise Customs, Vadodra
Central Excise Act	Excise Duty	1,07,92,935	March 2013	Commissioner of Central Excise & Customs, Vadodra
Central Excise Act	Excise Duty	17,01,294	October 2013 to February 2014	Commissioner of Central Excise & Customs, Vadodra
Central Excise Act	Excise Duty	4,09,88,212	July 2011 to June 2015	Commissioner (Appeals), Central Excise & Customs, Vadodra
Income Tax Act	Income Tax	94,14,295	Ass. Yr. 2010-11 to 2014-15	Commissioner of Income Tax (Appeals), Thane
Income Tax Act	Income Tax	3,82,281	20009-10	Income Tax Appellant Tribunal
Service Tax	Service Tax and Penalty	8,857,210	Jan 2005 -June 2006	Commissioner (Appeals), Central Excise and Customs, Vadodra
Service Tax	Service Tax ,Interest and Penalty	132,61,429	Jan 2007- Oct 2010	Commissioner (Appeals), Central Excise, Mumbai Zone-I
Service Tax	Penalty	14,52,674	Jan-2007 to Oct-2010	Commissioner of Service Tax (Appeals)-II, Mumbai- VII
Service Tax	Penalty	430,519	Aug 2006 to Mar 2010	Customs Excise & Service Tax Appellate Tribunal

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

Name of the Lender	Amount (In Lakhs)	Delay in Days	Remarks, if any
Bank of India	72.21	1 to 121	Term loan
Dena Bank	1,181.21	1 to 91	Term loan
Union Bank of India	275.72	1 to 91	Term loan
Andhra Bank	4.23	13	Term loan
Dena Bank	14,402.00	-	Overdrawn Working Capital
State Bank of India	3,497.00	-	Overdrawn Working Capital
Union Bank of India	8,039.00	-	Overdrawn Working Capital
Andhra Bank	1,593.00	-	Overdrawn Working Capital
Bank of India	4,429.50	-	Overdrawn Working Capital
Canara Bank	42.09	-	Overdrawn Working Capital
Kotak Mahindra Bank	16.95	-	Overdrawn Working Capital
Federal Bank	0.61	-	Overdrawn Working Capital

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

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

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

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

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

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

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

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

For CHATURVEDI & SHAH
Chartered Accountants
(Firm Registration no. : 101720W)

Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai
Date: 27th May 2017

For P. RAJ & CO.
Chartered Accountants
(Firm Registration No. : 108310W)

S. V. Chheda
Partner
Membership No. : 103938

Mumbai
Date: 27th May 2017

"Annexure B" to Independent Auditors' Report referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of **Emco Limited** ("the company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For CHATURVEDI & SHAH	**For P. RAJ & CO.**
Chartered Accountants	**Chartered Accountants**
(Firm Registration no. : 101720W)	**(Firm Registration No. : 108310W)**
Amit Chaturvedi	**S. V. Chheda**
Partner	Partner
Membership No.: 103141	Membership No. : 103938
Mumbai	Mumbai
Date: 27th May 2017	Date: 27th May 2017

Balance Sheet as at 31st March 2017

(All amounts in ` Lakhs, unless otherwise stated)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I. ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant & Equipment	2(a)	**21,405.33**	25,768.34	27,149.16
(b) Capital work in progress		**352.82**	242.06	105.16
(c) Intangible assets	2(b)	**1,608.41**	1,219.69	1,711.29
(d) Intangible assets under development		**-**	571.32	-
(e) Financial Assets				
(i) Investments in Subsidiaries	3(a)	**11,137.29**	11,118.81	9,758.80
(ii) Investments	3(b)	**987.14**	980.96	971.57
(iii) Loans	4	**7.48**	6.57	5.85
(iv) Others	5	**282.57**	240.98	257.67
(f) Deferred Tax Asset (net)	6	**3,336.96**	501.08	424.20
(g) Other Non-Current Assets	7	**133.66**	90.42	260.25
Sub-Total of Non Current Assets		**39,251.66**	40,740.23	40,643.95
2 CURRENT ASSETS				
(a) Inventories	8	**14,022.11**	20,603.93	20,238.78
(b) Financial Assets				
(i) Trade receivables	9	**64,038.18**	61,384.77	54,973.63
(ii) Cash & Cash equivalents	10	**1,836.84**	230.73	2,383.98
(iii) Other bank balances	10	**1,252.78**	763.13	76.23
(iv) Loans	11	**13,631.49**	13,399.34	11,917.68
(v) Others	12	**338.34**	423.58	668.00
(c) Tax Asset (net)	13	**1,789.49**	1,614.23	1,185.30
(d) Other Current Assets	14	**31,469.13**	30,460.86	30,898.99
Sub-Total Current Assets		**128,378.36**	128,880.58	122,342.58
Total - ASSETS		**167,630.02**	169,620.81	162,986.53
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	15	**1,355.52**	1,351.52	1,351.52
(b) Other Equity	16	**45,280.03**	52,117.41	54,645.81
Sub-Total Equity		**46,635.55**	53,468.93	55,997.33
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	**7,795.79**	10,134.22	13,051.49
(b) Deferred Tax Liability (net)	18	**-**	53.84	2,321.86
(c) Provisions	19	**94.62**	79.34	98.91
Sub-Total Non Current Liabilities		**7,890.41**	10,267.40	15,472.26
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	**83,435.32**	64,601.50	59,488.70
(ii) Trade Payables	21	**17,797.41**	24,172.32	17,457.16
(iii) Other Financial liabilities	22	**3,495.19**	5,809.46	3,510.65
(b) Provisions	23	**379.83**	518.57	630.50
(c) Other Current Liabilities	24	**7,996.31**	10,782.63	10,429.93
Sub-Total Current Liabilities		**113,104.06**	105,884.48	91,516.94
Total - EQUITY AND LIABILITIES		**167,630.02**	169,620.81	162,986.53
Significant accounting policies and notes on financial statements	1 to 55			

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Statement of Profit & Loss for the Year ended 31st March 2017

(All amounts in ` Lakhs, unless otherwise stated)

	Note	**Year ended 31st March 2017**	Year ended 31st March 2016
INCOME			
Revenue from operations (gross)	26	**86,737.84**	83,798.97
Other Income	27	**54.31**	68.74
Total Revenue		**86,792.15**	83,867.71
EXPENDITURE			
Cost of materials and Components consumed and bought outs	28	**35,492.84**	44,794.32
Purchases of Stock in Trade	28	**25,004.08**	16,958.67
Changes in inventories of finished goods and work-in-progress	29	**3,883.37**	50.34
Excise Duty		**2,603.09**	3,173.87
Employee benefit expense	30	**4,366.13**	4,012.75
Other expenses	31	**7,431.77**	8,033.81
Finance costs (net)	32	**12,056.77**	9,652.46
Depreciation and amortisation	2	**1,806.82**	1,963.69
Total Expenses		**92,644.87**	88,639.92
Profit Before Exceptional Items and tax		**(5,852.72)**	(4,772.20)
Exceptional Item	33	**(3,919.58)**	-
Profit before tax		**(9,772.30)**	(4,772.20)
Tax Expense			
Deferred Tax	25	**(2,887.47)**	(2,266.61)
Profit for the year		**(6,884.83)**	(2,505.59)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
a) Remeasurement of post employment benefit obligations		**6.50**	4.06
b) Income Tax on above		**2.25**	1.41
Total other comprehensive income		**4.25**	2.65
Total Comprehensive Income for the period		**(6,889.08)**	(2,508.24)
Basic earnings per share in ` on share of face value ` 2 fully paid up	34	**(10.18)**	(3.71)
Diluted earnings per share in ` on share of face value ` 2 fully paid up		**(10.18)**	(3.71)
Significant accounting policies and notes on financial statements	1 to 55		

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Notes to Financial Statements as at 31st March 2017

Statement of Changes in Equity for the year ended 31st March 2017

(All amounts in ` Lakhs, unless otherwise stated)

(a) Equity share capital

	No. of Shares	Amount
Balance at the 1 April 2015	67,575,885	1,351.52
Balance as at 31 March 2016	67,575,885	1,351.52
Changes in equity share capital	199,998	4.00
Balance as at 31 March 2017	67,775,883	1,355.52

(b) Other Equity

Particulars	Reserves and Surplus						Statement of other comprehensive Income	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Stock options outstanding	General Reserve	Retained earnings	Remeasurement of the net defined benefit Plans	
Balance at the 1 April 2015	1,988.94	4.50	28,612.76	20.11	5,012.43	19,007.07		54,645.81
Total Comprehensive								
Profit for the year	-	-	-	-	-	(2,505.59)		(2,505.59)
Other comprehensive income for the year	-	-	-	-	-	-	(2.65)	(2.65)
Dividend Payment	-	-	-	-	-	(81.33)		(81.33)
Transactions with owners of the company								
Employee stock option expense	-	-	-	61.17	-	-	-	61.17
Balance as at 31 March 2016	**1,988.94**	**4.50**	**28,612.76**	**81.28**	**5,012.43**	**16,420.15**	**(2.65)**	**52,117.42**
Total Comprehensive								
Profit for the year	-	-	-	-	-	(6,884.83)		(6,884.83)
Other comprehensive income for the year	-	-	-	-	-	-	(4.25)	(4.25)
Transactions with owners of the company								
Issue of equity shares	-	-	41.49	-	-	-	-	41.49
Employee stock option expense	-	-	-	10.21	-	-	-	10.21
Balance as at 31 March 2017	**1,988.94**	**4.50**	**28,654.25**	**91.49**	**5,012.43**	**9,535.32**	**(6.90)**	**45,280.03**

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

CASH FLOW STATEMENT for the year ended 31st March, 2017

(All amounts in ` Lakhs, unless otherwise stated)

		Year ended 31st March 2017	Year ended 31st March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	**(9,772.30)**	(4,772.20)
	Adjustments for		
	Depreciation and amortisation	**1,806.82**	1,963.69
	Unrealised foreign exchange Loss /(Gain)	**(308.03)**	(558.68)
	Interest expenses	**13,021.81**	10,751.40
	Interest Income	**(965.04)**	(1,098.94)
	Sundry balance written-off / (back) (net)	**500.92**	25.61
	Provision for doubtful debts	**225.00**	300.00
	Provision for Warranty	**9.26**	68.39
	Employee stock compensation expense	**23.69**	61.17
	Acturial (Gain)/loss on post employment benefit obligations	**(4.25)**	(2.65)
	Exceptional item	**3,919.58**	-
	Fair valuation of Investments	**(6.24)**	(9.39)
	(Gain)/Loss on sale of fixed assets (net)	**140.37**	(12.69)
	Operating Profit before Working Capital Changes	**8,591.59**	6,715.71
	Adjustments for		
	Trade and other payables	**(9,808.75)**	7,893.68
	Trade and other receivables	**(7,009.70)**	(6,064.30)
	Inventory	**6,581.82**	(365.15)
	Cash generated from Operations	**(1,645.04)**	8,179.94
	Direct taxes paid	**(177.51)**	(507.22)
	Net Cash Inflow / (Outflow) from Operating Activities	**(1,822.55)**	7,672.72
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Acquisition of PPE	**(905.48)**	(1,676.26)
	Sale proceeds of fixed assets	**3,425.67**	36.07
	Movement in other bank balances	**(489.65)**	(686.90)
	Purchase of Investments	**(6.01)**	-
	Purchase of Investments in subsidiaries	**(18.48)**	(1,360.01)
	Sale of Investments	**6.07**	-
	Movement in advance to subsidiaries & JV's	**803.78**	188.00
	Net Cash inflow / (outflow) from Investing Activities	**2,815.90**	(3,499.09)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of share	**32.01**	-
	Proceeds of Long term borrowings	**1,008.07**	2,066.23
	Repayment of Long term borrowings	**(5,729.55)**	(2,771.65)
	Increase/(decrease) in short term borrowings	**18,058.04**	5,065.47
	Interest expense	**(12,753.06)**	(10,604.20)
	Dividend paid during the year including dividend tax	**(2.77)**	(82.71)
	Net Cash inflow / (outflow) from Financing Activities	**612.74**	(6,326.86)
	Net increase in Cash and Cash Equivalents	**1,606.09**	(2,153.23)
	Cash and Cash Equivalents at the beginning of the year	**230.73**	2,384.00
	Cash and Cash Equivalents at the end of the year	**1,836.84**	230.73
	Reconciliation of the Cash & Bank		
	Cash and cash equivalents (As per Note 10)	**3,089.62**	993.86
	Less- Margin Money Deposit against Bank Guarantee	**1,246.42**	754.00
	Less- Unclaimed Dividend Account	**6.36**	9.13
	Cash and Cash Equivalents at the end of the year	**1,836.84**	230.73

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

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Vice Chairman
DIN:00006180

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Notes to the Standalone Financial Statements for the year ended 31 March 2017

1A. General information

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

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

1B. Significant Accounting policies

(a) **Basis of preparation**

(i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April, 2015. Refer note 43 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and its net profit.

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

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

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

i. **Recognition and measurement**

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

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

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

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

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

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

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

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

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

ii. **Subsequent expenditure**

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

iii. **Depreciation**

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

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

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

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

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

Leasehold land and improvements are amortised over the lease period.

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

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

(c) **Intangible assets**

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

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

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

(d) **Inventories**

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

(e) **Revenue recognition**

Sale of goods

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

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

Long term contracts

Revenue from long term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

Dividend income

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

Interest income

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

(f) **Foreign currency translation**

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(g) **Financial instruments**

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

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

i. **Financial assets**

Classification

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

Initial recognition and measurement

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

Debt instruments

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

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

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

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

Equity investments

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

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

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

De-recognition

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

Impairment of financial assets

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

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

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

ii. **Financial liabilities**

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

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

(h) **Export Obligations / Entitlements / Incentives**

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

(i) **Employee benefits**

a) **Short term employee benefits**

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

b) **Share-based payment transactions**

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

c) **Defined contribution plans**

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

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

d) **Defined benefit plans**

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

(j) **Operating lease**

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

(k) **Income Tax**

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

i. **Current tax**

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

Current tax assets and liabilities are offset only if:

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

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

ii. **Deferred tax**

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

(l) **Borrowing cost**

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

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

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

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

(n) **Business combinations**

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

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

  fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

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

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

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

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

(o) **Research and development**

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

(p) **Cash and cash equivalents**

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

(q) **Earnings per share**

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

(r) **Dividends**

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

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(t) **Key estimates and assumptions**

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

Estimates and assumptions are required in particular for:

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

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

- Recognition and measurement of defined benefit obligations

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

- Provisions and contingent liabilities

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

  Warranties:

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

- Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

(u) **Rounding of amounts**

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

(v) **Segment reporting**

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

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

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

(w) **Standards issued or modified but not yet effective up to the date of issuance of the company's financial statements**

The amendments to standards that are issued, but not yet effective up to the date of issuance of Company's financial statements are discussed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) Amendments to Ind AS 7 Statement of Cash Flows (Effective from accounting period starting on or after April 1, 2017)

   i. An entity shall provide certain additional disclosures for changes in liabilities arising from financing activities on account of non-cash transactions to enable users of financial statements evaluate changes in liabilities arising from financing activities.

   ii. To the extent necessary to satisfy the requirement, an entity shall disclose the following changes in liabilities arising from financing activities:

      - Changes from financing cash flows;
      - Changes arising from obtaining or losing control of subsidiaries or other businesses;
      - The effect of changes in foreign exchange rates;
      - Changes in fair values; and
      - Other changes

b) Amendments to Ind AS 102 Share-based payments Ind AS 102 has been amended to include clarity on the following areas:

   - Measurement of cash-settled share-based payments;
   - Classification of share-based payments settled net of tax withholdings; and
   - Accounting for a modification of a share-based payment from cash-settled to equity-settled the above changes do not impact the Company as the Share based payments made by the Company are neither cash-settled share-based payment nor do they have any "net settlement feature".

Notes to the Standalone Financial Statements for the year ended 31 March 2017

(All amounts in ` Lakhs, unless otherwise stated)

2(a) Property Plant and Equipment - As at March 31, 2017

Property plant and equipment	Gross block (at cost)				Depreciation/Amortisation				Net block	
	As at 1st April 2016	Additions/ djustments	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
(A) TANGIBLE ASSETS										
Freehold land	4,373.15	-	102.00	4,271.15	-	-	-	-	4,271.15	4,373.15
Lease Hold Land - Leased	21.60	-	11.33	10.28	0.81	0.40	1.21	-	10.28	20.80
Buildings - Owned	5,399.36	101.80	-	5,501.16	201.63	204.03	-	405.66	5,095.50	5,197.73
Plant & Equipment - Owned	12,860.02	382.14	76.11	13,166.05	804.96	867.13	9.05	1,663.04	11,503.00	12,055.06
Furniture & Fixtures	334.87	0.87	-	335.73	91.31	88.94	-	180.26	155.48	243.55
Vehicles	238.00	55.17	21.61	271.55	59.53	42.55	10.73	91.34	180.21	178.48
Office Equipments	64.37	4.50	-	68.86	24.18	9.31	1.11	32.37	36.49	40.18
Air craft	178.98	-	-	178.98	12.88	12.88	-	25.75	153.22	166.10
Wind Energy Generators	3,726.33	-	3,726.33	-	233.05	116.20	349.25	-	-	3,493.28
Total (A)	**27,196.69**	**544.47**	**3,937.39**	**23,803.76**	**1,428.35**	**1,341.44**	**371.36**	**2,398.43**	**21,405.33**	**25,768.34**
Capital work in progress (B)	242.06	210.81	100.05	352.82	-	-	-	-	352.82	242.06
TOTAL (A+B)	**27,438.75**	**755.27**	**4,037.44**	**24,156.58**	**1,428.35**	**1,341.44**	**371.36**	**2,398.43**	**21,758.15**	**26,010.40**

Property plant and equipment	Gross block (at cost)				Depreciation/Amortisation				Net block	
	As at 1st April 2015	Additions/ Adjustments	Deductions	As at 31st March 2016	As at 1st April 2015	For the Year	Deductions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
(A) TANGIBLE ASSETS										
Freehold land	4,373.15	-	-	4,373.15	-	-	-	-	4,373.15	4,373.15
Lease Hold Land - Leased	21.60	-	-	21.60	-	0.81	-	0.81	20.80	21.60
Buildings - Owned	5,381.55	17.81	-	5,399.36	-	201.63	-	201.63	5,197.73	5,381.55
Plant & Equipment - Owned	12,852.89	1,035.02	1,027.89	12,860.02	-	838.62	33.66	804.96	12,055.06	12,852.89
Furniture & Fixtures	331.44	3.42	-	334.87	-	91.31	-	91.31	243.55	331.44
Vehicles	231.79	32.52	26.31	238.00	-	68.96	9.43	59.53	178.48	231.79
Office Equipments	51.41	13.06	0.11	64.37	-	24.21	0.02	24.18	40.18	51.41
Air craft	178.98	-	-	178.98	-	12.88	-	12.88	166.10	178.98
Wind Energy Generators	3,726.33	-	-	3,726.33	-	233.05	-	233.05	3,493.28	3,726.33
Total (A)	**27,149.16**	**1,101.83**	**1,054.31**	**27,196.69**	**-**	**1,471.46**	**43.11**	**1,428.35**	**25,768.34**	**27,149.16**
Capital work in progress (B)	105.16	138.44	1.54	242.06	-	-	-	-	242.06	105.16
TOTAL (A+B)	**27,254.32**	**1,240.27**	**1,055.84**	**27,438.75**	**-**	**1,471.46**	**43.11**	**1,428.35**	**26,010.40**	**27,254.32**

Deemed Cost as on 1 April 2015

Property plant and equipment	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Freehold land	4,373.15	-	4,373.15
Lease Hold Land - Leased	27.28	5.67	21.60
Buildings - Owned	7,983.01	2,601.46	5,381.55
Plant & Equipment - Owned	21,844.60	8,991.71	12,852.89
Furniture & Fixtures	1,017.32	685.87	331.44
Vehicles	540.92	309.13	231.79
Office Equipments	425.15	373.74	51.41
Air craft	291.43	112.45	178.98
Wind Energy Generators	5,928.13	2,201.80	3,726.33
Leasehold Improvements	146.91	146.90	0.00
Capital work in progress	0.00	-	0.00
Total	**42,578**	**15,429**	**27,149.16**

(All amounts in ` Lakhs, unless otherwise stated)

1. Sixty shares of ` 50 each in Tripura Lok Dhara Co-operative Housing Society Limited, Twenty shares of ` 50 each in Nandi Lok Dhara Co-operative Housing Society Limited, Thirty shares of ` 50 each in Saket Towers Co-operative Housing Society Limited, Thirty Five shares of ` 50 each in Saket Co-operative Housing Society Limited and Ten shares of ` 50 each in Aspen Ascot Co-operative Housing Society Limited.
2. Air Craft represents company's 15% share in assets jointly owned by Company.
3. Additions includes additions / deductions on account of exchange differences `189.58 (` 136.14 lakhs)on Long Term borrowings pertaining to acquisition of fixed assets.
4. For details of assets given as security against borrowings, Refer Note 17 & Note 20.

2(b) Intangible Asset - As at March 31, 2017

Intangible assets	Gross block (at cost)				Depreciation/Amortisation					
	As at 1st April 2016	Additions/ djustments	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Computer Software	56.74	31.86	-	88.61	27.18	13.75	-	40.94	47.67	29.56
Technical Know-how and Licenses	312.91	822.25	-	1,135.16	163.37	451.64	-	615.01	520.15	149.54
New product design and development	1,342.27	-	-	1,342.27	301.67	-	-	301.67	1,040.59	1,040.59
Total (A)	**1,711.92**	**854.11**	**-**	**2,566.03**	**492.23**	**465.39**	**-**	**957.62**	**1,608.41**	**1,219.69**
Intangible assets under development (B)	571.32	-	571.32	-	-	-	-	-	-	571.32
TOTAL (A+B)	**2,283.24**	**854.11**	**571.32**	**2,566.03**	**492.23**	**465.39**	**-**	**957.62**	**1,608.41**	**1,791.00**

Intangible assets	Gross block (at cost)				Depreciation/Amortisation				Net block	
	As at 1st April 2015	Additions/ djustments	Deductions/ djustments	As at 31st March 2016	As at 1st April 2015	For the Year	Deductions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
Computer Software	56.11	0.63	-	56.74	-	27.18	-	27.18	29.56	56.11
Technical Know-how and Licenses	312.91	-	-	312.91	-	163.37	-	163.37	149.54	312.91
New product design and development	1,342.27	-	-	1,342.27	-	301.67	-	301.67	1,040.59	1,342.27
Total (A)	**1,711.29**	**0.63**	**-**	**1,711.92**	**-**	**492.23**	**-**	**492.23**	**1,219.69**	**1,711.29**
Intangible assets under development (B)	-	571.32		571.32	-	-	-	-	571.32	-
TOTAL (A+B)	**1,711.29**	**571.95**	**-**	**2,283.24**	**-**	**492.23**	**-**	**492.23**	**1,791.00**	**1,711.29**

Deemed Cost as on 1 April 2015

Intangible assets	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Computer Software	944.13	888.02	56.11
Technical Know-how and Licenses	916.03	603.12	312.91
New product design and development	1,508.37	166.10	1,342.27
Goodwill	29.33	29.33	-
Total	**3,397.86**	**1,686.57**	**1,711.29**

(All amounts in ` Lakhs, unless otherwise stated)

						As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
3	**NON CURRENT INVESTMENTS (Unquoted)**							
	(a)	**Investment in Subsidiaries (stated at cost)**						
		Number		Face Value per unit	**Investment in Equity Instrument (Unquoted)** **Investment In Subsidiary**			
		10 (31-Mar-16 - 10, 1-Apr-2015 - 10)	SGD	1	Emco Overseas Pte Limited	**9,190.93**	9,190.93	9,190.93
		79,80,235 (31-Mar-16 - 79,80,235, 1-Apr-2015 - 79,80,235)	`	10	Emco Power Limited	**537.87**	537.87	537.87
					(Out of the above, 6 Equity Shares are held in the name of others as nominees on behalf and ownership of the Company)			
		50,000 (31-Mar-16 - 50,000, 1-Apr-2015 - 50000)	`	10	Emco Renewable Energy Limited	**5.00**	5.00	5.00
					(Out of the above, 6 Equity shares are held in the name of others as nominees on behalf and ownership of the Company)			
		49,950 (31-Mar-16 - 49,950, 1-Apr-2015 - 49,950)	`	10	Emco Infrastructure Limited	**5.00**	5.00	5.00
					(Out of the above, 6 Equity shares are held in the name of others as nominees on behalf and ownership of the Company)			
		4,88,600 (31-Mar-16 - 50,000, 1-Apr-2015 - 50000)	`	10	Shekhawati Transmission Service Company Limited	**1,380.01**	1,380.01	20.00
		100 (31-Mar-16 - Nil, 1-Apr-2015 - Nil)	AED	1,000	Emco Global DMCC	**18.48**	-	-
						11,137.29	11,118.81	9,758.80
	(b)	**Investments Carried At Fair Value Through Profit & Loss**						
		Number		Face Value per unit	**(i) Investment in Equity Instrument (Quoted)**			
		3,600 (31-Mar-16 - 3,600, 1-Apr-2015 - 3,600)	`	10	Morarka Finance Limited	**0.83**	0.34	0.29
					(ii) Investment in Equity Instrument (Unquoted)			
		1,667 (31-Mar-16 - 1,667, 1-Apr-2015 - 1667)	`	10	Cozy Properties Private Limited	**139.70**	134.16	124.49
					(iii) Investment in Non-Cumulative Preference Shares (Unquoted)			
		8,466 (31-Mar-16 - 8,406, 1-Apr-2015 - 8,406)	`	10	Cozy Properties Private Limited	**846.60**	840.60	840.60
					(iv) Investment in Mutual Fund (Quoted)			
		NIL (31-Mar-16 - 50,000, 1-Apr-2015 - 50,000)	`	10	Union KBC Capital Protection Oriented Fund	**-**	5.86	6.19
						987.13	980.96	971.57
						12,124.42	12,099.77	10,730.37
					Aggregate Amount of Quoted Investment	**0.83**	6.20	6.48
					Aggregate Market Value of Quoted Investment	**0.83**	6.20	6.48
					Aggregate Amount of Unquoted Investment	**12,123.59**	12,093.57	10,723.89

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March 2017	As at 31st March 2016	As At 1st April 2015
4	**Non-current Financial assets - Loans and advances**			
	Unsecured considered good			
	Loans and Advances to Related Parties (Refer Note 46)	**7.48**	6.57	5.85
5	**Other non-current Financial assets**			
	Security Deposits	**119.46**	110.59	42.54
	Rent Deposit			
	- To Related Party (Refer Note 46)	**100.00**	100.00	100.00
	- To Others	**63.11**	30.39	115.13
		282.57	240.98	257.67
6	**Deferred Tax Asset**			
	Mat Credit Entitlement	**501.08**	501.08	424.20
	Deferred Tax-Asset (Net)	**2,835.87**		
		3,336.95	501.08	424.20
7	**Other Non current assets**			
	Capital Advances	**62.38**	64.93	63.21
	Prepaid Expenses	**71.28**	25.49	197.04
		133.66	90.42	260.25
8	**Inventories**			
	Raw Materials & Components	**9,365.47**	10,537.45	10,135.36
	Work-in-progress	**3,681.75**	7,273.02	7,286.85
	Finished Goods	**-**	292.10	328.61
	Stock in Transit	**-**	-	378.52
	Store, Spares and Packing Material	**974.89**	2,501.36	2,109.44
		14,022.11	20,603.93	20,238.78
	For details of inventory given as security against borrowings, Refer Note 17 & Note 20.			
9	**Trade receivables**			
	Unsecured, Considered Good	**64,038.18**	61,384.77	54,973.63
	Doubtful	**5,512.31**	5,360.25	5,212.75
	Provisions for Doubtful Debts	**(5,512.31)**	(5,360.25)	(5,212.75)
		64,038.18	61,384.77	54,973.63

Notes

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

b) Trade receivables include ` 21,285.72 lakhs outstanding as at 31st March 2017 in respect of the supplies or projects which have been closed or substantially completed. These receivables are due to retentions and claims arising mainly in respect of cost over-run due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March 2017	As at 31st March 2016	As At 1st April 2015
10	**Cash and cash equivalents**			
a)	Balance with Banks			
	In Current Account	**1,835.54**	149.79	2,360.21
b)	Cheques, Drafts on hand	**-**	74.42	10.11
c)	Cash on hand	**1.30**	6.52	13.66
		1,836.84	230.73	2,383.98
	Bank Balance other than cash and cash equivalents			
a)	Margin Money Deposit (Given as security for Bank Guarantee / LC)	**1,246.42**	754.00	65.72
b)	Unclaimed Dividend Account	**6.36**	9.13	10.51
		1,252.78	763.13	76.23
		3,089.62	993.86	2,460.21
11	**CURRENT FINANCIAL LOANS AND ADVANCES**			
a)	Loans and Advances to Related Parties (Refer Note 46)	**12,887.39**	12,661.58	10,819.56
b)	Inter Corporate Deposits	**744.10**	737.76	1,098.12
		13,631.49	13,399.34	11,917.68
12	**CURRENT FINANCIAL OTHER ASSETS**			
a)	Earnest Money Deposit	**21.44**	42.77	56.17
b)	Current Security & Rent Deposits	**124.78**	328.09	390.87
c)	Derivative Assets	**192.12**	52.72	220.96
		338.34	423.58	668.00
13	**TAX ASSET**			
	Income Tax (net of provision)	**1,789.49**	1,614.23	1,185.30
		1,789.49	1,614.23	1,185.30
14	**OTHER CURRENT ASSETS**			
a)	Advance to Suppliers	**10,918.73**	6,188.30	6,567.55
b)	Indirect Tax Receivable	**5,249.04**	5,701.40	4,414.14
c)	Prepaid Expenses	**567.30**	1,765.06	2,443.39
d)	Contract Revenue in Excess of Billing	**12,056.02**	10,837.35	11,621.25
e)	Other amounts recoverable in cash or kind for value to be received.	**2,678.04**	5,968.75	5,852.66
		31,469.13	30,460.86	30,898.99

(All amounts in ` Lakhs, unless otherwise stated)

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
15 Share Capital				
a Authorised :				
Equity shares of ` 2 each		**1,500.00**	1,500.00	1,500.00
7,50,00,000 (31-Mar-16 - 7,50,00,000, 1-Apr-2015 - 7,50,00,000) Equity shares				
Cumulative Redeemable Preference Shares of ` 100 each				
5,00,000 (31-Mar-16 - 5,00,000, 1-Apr-2015 - 5,00,000) shares		**500.00**	500.00	500.00
TOTAL		**2,000.00**	2,000.00	2,000.00
b Issued and Subscribed and Paid up:				
6,77,75,883 (31-Mar-16 - 6,75,75,885, 1-Apr-2015 - 6,75,75,885) Equity shares of ` 2 each fully paid up		**1,355.52**	1,351.52	1,351.52
TOTAL		**1,355.52**	1,351.52	1,351.52
c Reconciliation of number of shares outstanding at the beginning and end of the year :			**March 31, 2017**	March 31, 2016
Equity share :				
Outstanding at the beginning of the year	Number		67,575,885	67,575,885
	Amount		1,351.52	1,351.52
Equity Shares issued during the year pursuant to exercise of ESOPs	Number		199,998	-
	Amount		4.00	-
Outstanding at the end of the year	Number		67,775,883	67,575,885
	Amount		1,355.52	1,351.52

d Terms / Rights attached to each classes of shares

1. Terms / Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of ` 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2017, the amount of dividend per equity share recognised as distributions to equity shareholders is Nil (previous year ` 81.33 lakhs).In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity share	As at March 31, 2017		As at 31 March 2016		As at April 1, 2015	
	No. of Shares	No of shares %	No. of Shares	No of shares %	No. of Shares	No of shares %
Rajesh Jain	9,599,345	14.16	9,599,345	14.21	9,599,345	14.21
Shailesh Jain	6,299,340	9.29	6,299,340	9.32	6,299,340	9.32
Emco Investments Private Limited	8,355,858	12.33	8,355,858	12.37	8,355,858	12.37
Ratna Jain	4,354,255	6.42	4,354,255	6.44	4,354,255	6.44

(All amounts in ` Lakhs, unless otherwise stated)

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

Paticulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No of shares	No of shares	No of shares
ESOP 2006 Option XII	5,320	10,680	16,000
ESOP 2011 Option I	26,800	53,400	160,000
ESOP 2011 Option II	38,400	76,700	115,000
ESOP 2011 Option III	-	50,000	75,000
ESOP 2011 Option V	333,335	700,000	900,000
ESOP 2011 Option VI	100,000	100,000	100,000
ESOP 2011 Option VII	500,000	700,000	-
ESOP 2011 Option VIII	50,000	100,000	-
ESOP 2015 Option I	16,615	-	-
ESOP 2015 Option II	7,500	-	-

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

	As at March 31, 2017 Aggregate No of shares	As at March 31, 2016 Aggregate No of shares	As at April 1, 2015 Aggregate No of shares
Equity Shares:			
Issued under various Stock Option Plans of the Company	199,998	-	-

	Particulars	As at 31st March 2017	As at 31st March 2016	As At 1st April 2015
16	**OTHER EQUITY**			
	Capital Reserve			
	Balance as at the beginning and at the end of the year	**1,988.94**	1,988.94	1,988.94
	Capital Redemption Reserve			
	Balance as at the beginning and at the end of the year	**4.50**	4.50	4.50
	Securities Premium Account			
	Balance as at the beginning of the year	**28,612.76**	28,612.76	28,612.76
	Add: Received during the year	**41.49**	-	-
	Balance as at the beginning and at the end of the year	**28,654.25**	28,612.76	28,612.76
	Stock options outstanding			
	Employee stock options outstanding at the beginning of the year	**81.28**	20.11	20.11
	Less : Deferred employee compensation outstanding	**(10.21)**	(61.17)	-
	Closing Balance at the end of the year	**91.49**	81.28	20.11
	General Reserve			
	Balance as at the beginning and at the end of the year	**5,012.43**	5,012.43	5,012.43
	Other Comprehensive Income			
	Balance as at the beginning of the year	**(2.65)**	-	-
	Remeasurement of post employment benefit obligations	**6.50**	4.06	-
	Deferred tax on above	2.25	1.41	-
	Balance at the end of the year	**(6.90)**	(2.65)	-
	Surplus			
	Balance as at the beginning of the year	**16,420.15**	19,007.07	21,209.02
	Add : Profit(Loss) for the year	**(6,884.83)**	(2,505.59)	-
	Less: Opening Reserve impact	**-**	-	2,201.95
	Proposed Dividend (Dividend Per share ` Nil (` 0.10))	**-**	81.33	-
	Balance at the end of the year	**9,535.32**	16,420.15	19,007.07
		45,280.03	52,117.41	54,645.81

(All amounts in ` Lakhs, unless otherwise stated)

Capital reserve

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

Capital redemption reserve

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

Securities premium reserve

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

Stock options outstanding

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

General reserve

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

Retained earnings

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

				Non Current Portions			Current Maturities		
			Rate of Interest	**As at 31st March 2017**	As at 31st March 2016	As At 1st April 2015	**As at 31st March 2017**	As at 31st March 2016	As At 1 April 2015
17	**LONG TERM BORROWINGS**								
	SECURED LOANS								
a)	Vehicle Loans		9.36% - 10.50%	**26.50**	21.69	26.23	**27.21**	26.61	20.47
b)	Term Loans from Banks								
	i)	Rupee Loan	BR+3.25% to BR+4.24%	**5,181.66**	7,142.50	10,463.45	**2,697.62**	4,053.15	2,169.54
			12%	**1,000.00**	800.00	-	**-**	1,000.00	700.00
	ii)	Foreign currency Loan	LIBOR+4.5	**1,587.63**	2,170.03	2,561.81	**544.38**	542.51	384.27
				7,795.79	10,134.22	13,051.49	**3,269.21**	5,622.27	3,274.28
	Amount disclosed under 'Other Current Financial Liabilities' (Refer Note 22)						**(3,269.21)**	(5,622.27)	(3,274.28)
				7,795.79	10,134.22	13,051.49	**-**	-	-

Nature of Security and Repayment Terms

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

b) i) Term loan from banks referred in (b) (i) above Includes ` 311.37 Lacs (` 2,393.42 Lacs as on 31-Mar-16, ` 2578.59 Lacs as on 1-Apr-15) loan which is secured by exclusive first charge by way of mortgage on the specific land on which the windmills are installed in Maharashtra and exclusive first charge by way of hypothecation on current assets and movable fixed assets (plant, machinery equipments) pertaining to windmills.

ii) During the year, company has sold its windmill business to various parties on slump sale basis for aggregate consideration of ` 4554 Lakhs. Outstanding loan has been repaid and satisfaction of charge has been filed with ROC after balance sheet date.

c) Term loan from banks referred in (b) (i) above includes ` 8,567.91 Lacs ( ` 9,753.71 Lacs as on 31-Mar-16, ` 8850.00 Lacs as on 1-Apr-17) loan which is secured by first charge basis (pari passu) by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm and second charge (pari passu) by way of hypothecation on the Company's movable assets including current assets except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm. Further out of this working capital term loan ` 5703.20 Lacs ( ` 6,574.58 Lacs as on 31-Mar-16, ` 7350.00 Lacs as on 1-Apr-15) is secured by personal guarantee of promoter directors.

(All amounts in ` Lakhs, unless otherwise stated)

d) Term loan from banks referred above in (b) (i) includes NIL (` 848.53 Lacs as on 31-Mar-16, ` 1904.40 Lacs as on 1-Apr-17) loan which is secured by bank guarantee.

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

f)

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

g)

Delay In Repayment of Term Loan as on 31-Mar-16	Period Of Delay (In Days)	Principal Due (In lakhs)	Interest Due (In lakhs)
Bank 1	39 to 59	200.00	-

			As at 31st March 2017	As at 31st March 2016	As At 1 April 2015
18	**Deferred Tax Liability (Net)***				
	Deferred Tax Liability		-	3,439.29	2,321.86
	Deferred Tax Assets		-	(3,385.45)	-
			-	53.84	2,321.86
	* Refer note 36 for details				
19	**PROVISIONS**				
	Provision for employee benefits				
	Provision for leave benefits (Refer Note 37)		**94.62**	79.34	98.91
			94.62	79.34	98.91
20	**SHORT TERM BORROWINGS**				
	From Banks				
	Secured				
	a) Working Capital Demand Loan	14.50%	**392.00**	500.00	500.00
	b) Cash Credit / Packing Credit	BR+3.25 to BR+6.4	**70,089.48**	40,037.26	40,913.76
	c) Acceptance		**12,953.84**	24,064.24	18,074.94
			83,435.32	64,601.50	59,488.70

Nature of Security and Repayment Terms

i) Working Capital Loans from banks referred in (a) (b) and (c) above and bank facilities mentioned in Note 20 (a) and (b) are secured on first charge basis (pari passu) by way of hypothecation on current assets of the Company such as raw Materials, stocks-in-process, finished goods, consumable stores and spares, book debts, outstanding and claims, receivable both present and future except book debts and receivables pertaining to wind mill and solar farm which are exclusively financed by other lenders. Further the said working capital facilities are secured on second charge) by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm.

ii) Working capital referred in (b) above is in excess of sanction limit by ` 32,080 Lacs (` 6,256 Lacs as on 31-Mar-16 and ` 3,324 Lacs as on 1-Apr-15) as at year end.

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

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March 2017	As at 31st March 2016	As At 1st April 2015
21	**TRADE PAYABLES**			
	- Dues to micro and small enterprises	**340.51**	209.88	341.32
	- Others	**17,456.90**	23,962.44	17,115.84
		17,797.41	24,172.32	17,457.16
	Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the company.			
	1 The principal amount remaining unpaid to supplier as at the end of accounting year	**340.51**	209.88	341.32
	2 The interest due thereon remaining unpaid to supplier as at the end of accounting year.	**41.63**	19.07	14.01
	3 The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year.	**NIL**	NIL	NIL
	4 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	**NIL**	5.87	NIL
	5 The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	**41.63**	24.94	14.01
	6 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	**NIL**	NIL	NIL
22	**OTHER CURRENT FINANCIAL LIABILITIES**			
	Current Maturities of Long Term Borrowings (Refer Note No.17)	**3,269.21**	5,622.27	3,274.28
	Interest accrued but not due	**195.44**	92.34	111.44
	Interest accrued and due	**-**	14.39	0.31
	Unclaimed Dividends	**6.36**	9.13	10.51
	Security Deposits	**8.41**	5.75	5.75
	Derivative liability	**15.77**	65.58	108.36
		3,495.19	5,809.46	3,510.65
23	**OTHER CURRENT LIABILITIES**			
	Statutory Liabilities	**96.58**	230.78	342.93
	Advance received against order from customers	**5,572.72**	7,152.17	5,088.75
	Billing in Excess of Contract Revenue	**-**	53.58	176.16
	Other Current Liabilities	**2,327.01**	3,346.10	4,822.09
		7,996.31	10,782.63	10,429.93
24	**PROVISIONS**			
	a) Provision for gratuity (Refer Note 37)	**134.03**	75.51	32.34
	b) Provision for leave benefits (Refer Note 37)	**27.17**	47.96	29.53
	c) Provision for warranties (Refer Note 48)	**218.63**	395.10	568.63
		379.83	518.57	630.50

(All amounts in ` Lakhs, unless otherwise stated)

25 Tax Expense

Deferred Tax (Refer Note 36)	**2,887.47**	2,266.61	620.86
	2,887.47	2,266.61	620.86

		Year ended 31st March 2017	Year ended 31st March 2016
26	**REVENUE FROM OPERATIONS (GROSS)**		
	Sale of products	**85,027.47**	81,952.86
	Sale of services	**231.09**	253.70
	Other operating revenue	**1,479.28**	1,592.41
		86,737.84	83,798.97
27	**OTHER INCOME**		
	Other non operating income	**53.24**	68.74
	Profit on disposal of investment (net)	**1.07**	-
		54.31	68.74
28	**COST OF RAW MATERIAL CONSUMED**		
	Inventory at the beginning of the year	**10,537.46**	10,513.88
	Add : Purchases and other related expenses	**34,320.85**	44,817.90
	Less : Inventory at the end of the year	**9,365.47**	10,537.46
		35,492.84	44,794.32

29	**CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROCESS**			
	Inventories at the end of the year			
		Work - in - process	**3,681.75**	7,273.02
		Finished goods	**-**	292.10
			3,681.75	7,565.12
	Inventories at the beginning of the year			
		Work - in - process	**7,273.02**	7,286.85
		Finished goods	**292.10**	328.61
			7,565.12	7,615.46
			3,883.37	50.34
30	**EMPLOYEE BENEFIT EXPENSES**			
	Salaries and Wages		**3,837.53**	3,500.13
	Contribution to Provident and other funds		**303.32**	256.44
	Employee stock option scheme		**23.69**	61.17
	Staff Welfare expenses		**201.59**	195.01
			4,366.13	4,012.75

(All amounts in ` Lakhs, unless otherwise stated)

		Year ended 31st March 2017	Year ended 31st March 2016
31	**OTHER EXPENSES**		
	Stores and Packing Materials Consumed	**794.75**	111.57
	Power and Fuel	**524.18**	551.93
	Repair and Maintenance		
	- Machinery	**144.17**	234.71
	- Buildings	**126.12**	83.23
	Rent and Compensation	**213.96**	251.21
	Insurance Charges (Net)	**313.15**	289.46
	Rates and Taxes	**136.17**	201.18
	Travelling and Conveyance	**709.46**	793.47
	Freight (Net)	**326.69**	34.45
	Commission on Sales	**119.34**	2,924.90
	Legal and Professional Fees	**728.72**	573.12
	Auditors Remuneration	**85.44**	82.12
	Director's Sitting Fees	**6.13**	6.96
	Bank Charges, Guarantee Commission and Other Charges	**1,473.44**	1,470.69
	Loss on Disposal of Fixed Assets	**140.37**	-
	Warranty and After Sales Expenses	**9.26**	68.39
	Miscellaneous Expenses	**49.24**	92.41
	Other Establishment Expenses	**1,240.26**	1,036.73
	Net (Gain) / Loss from foreign currency transactions and translations	**(7.76)**	(253.11)
	Sundry Balance Written Off (Net)	**500.92**	25.61
	Provision for doubtful debts	**225.00**	300.00
	Less: Expenses/Overhead recovered/to be recovered	**(427.24)**	(845.22)
		7,431.77	8,033.81
	PAYMENT TO AUDITORS		
	Audit Fees	**80.47**	77.31
	Tax Audit Fees	**3.50**	3.50
	Certification and other matter	**-**	0.40
	Out of pocket expenses	**1.47**	0.92
		85.44	82.13
32	**FINANCE COST (net)**		
	Interest Cost		
	On Term Loans	**1,393.09**	1,749.50
	On Working Capital	**10,099.01**	7,753.51
	To Others	**1,256.58**	854.41
	Other Borrowing Cost	**273.13**	393.98
		13,021.81	10,751.40
	Less:		
	Interest from bank and others	**180.04**	152.22
	Interest from Related Parties (Refer Note 46)	**785.00**	946.72
		965.04	1,098.94
		12,056.77	9,652.46
33	**EXCEPTIONAL ITEM**	**3,919.58**	-
		3,919.58	**-**

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

(All amounts in ` Lakhs, unless otherwise stated)

34. Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders

	March 31, 2017	March 31, 2016
Profit/(Loss) attributable to equity holders:	(6,884.83)	(2,505.59)
Continuing operations	(6,884.83)	(2,505.59)
Discontinued operations	-	-
Profit/(Loss) attributable to equity holders of the parent for basic earnings	**(6,884.83)**	(2,505.59)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	**(6,884.83)**	(2,505.59)

ii. Weighted average number of ordinary shares

	March 31, 2017	March 31, 2016
Issued ordinary shares at April 1	67,575,885	67,575,885
Effect of shares issued for cash on 28-Oct-2016 under ESOP	84,931	-
Weighted average number of shares at March 31 for basic EPS	**67,660,816**	67,575,885
Effect of dilution:		
Share options	400,347	374,261
	68,061,163	67,950,146

Basic and Diluted earnings per share

	March 31, 2017	March 31, 2016
Basic earnings per share	(10.18)	(3.71)
Diluted earnings per share	(10.18)	(3.71)

35 Tax Reconciliation

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences (Refer note 36)	2,887.47	2,266.61
Deferred tax expense	2,887.47	2,266.61
Tax expense for the year	**2,887.47**	**2,266.61**

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
a) Remeasurement of post employment benefit obligations	6.50	(2.25)	4.25	4.06	(1.41)	2.65
	6.50	**(2.25)**	**4.25**	**4.06**	**(1.41)**	**2.65**

(All amounts in ` Lakhs, unless otherwise stated)

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	(9,772.30)	(4,772.20)
Tax using the Company's domestic tax rate (Current year 30.90% and Previous Year 30.90%)	(3,019.64)	(1,474.61)
Tax effect of:		
Difference in tax rate	132.17	57.60
Expenses not deductible for tax purposes	-	155.76
Reversal of opening balance Ind-AS impact	-	(1,008.67)
Exempt income	-	2.71
Impact of differential tax rate	-	0.60
	(2,887.47)	**(2,266.60)**

36 Deferred Tax Disclosure

(a) Movement in deferred tax balances

	March 31, 2017				
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,566.91)	(1,061.90)	-	-	(4,628.81)
Investments	(2.93)	-	-	-	(2.93)
Deposit	(0.16)	-	-	-	(0.16)
Prepaid commission	67.99	-	-	-	67.99
Derivatives	61.91	-	-	-	61.91
Employee benefits	72.25	(107.70)	2.25	-	(33.20)
MAT Credit	501.08	-	-	-	501.08
Other items	3,314.00	4,057.06	-	-	7,371.06
Tax assets (Liabilities)	**447.23**	**2,887.46**	**2.25**	**-**	**3,336.94**

(b) Movement in deferred tax balances

	March 31, 2016				
	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,734.99)	168.08	-	-	(3,566.91)
Investments	(2,084.69)	2,081.76	-	-	(2.93)
Deposit	0.31	(0.47)	-	-	(0.16)
Loans	(63.94)	63.94	-	-	-
Trade receivables	1,077.69	(1,077.69)	-	-	-
Prepaid commission	103.94	(35.94)	-	-	68.00
Derivatives	(45.18)	107.09	-	-	61.91
Employee benefits	56.90	13.95	1.40	-	72.25
Employee Share Options	3.20	(3.20)	-	-	-
MAT Credit*	424.20		-	-	501.08
Other items	2,364.90	949.09	-	-	3,313.99
Tax assets (Liabilities)	**(1,897.66)**	**2,266.61**	**1.40**	**-**	**447.23**

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

(All amounts in ` Lakhs, unless otherwise stated)

Tax Losses carried forward

	31-Mar-17	Expiry Year	31-Mar-16	Expiry Year
Brought forward losses				
- Allowed to carry forward losses for specific period	7,933.39	2020-25	3,396.37	2020-24
- Allowed to carry forward losses for infinite period	5,871.97		4,080.37	
Total	**13,805.36**		**7,476.74**	

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

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

37 Employee benefits

(A) Defined Contribution Plan

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

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

	31 March 2017	31 March 2016	1 April 2015
Charge to the Statement of Profit and Loss based on contributions:			
Employees' Provident fund	**116.14**	94.64	108.25
Employees' Pension Fund	**81.74**	84.50	69.43
Employees' ESIC Fund	**12.08**	10.20	14.84

(B) Defined Benefit Plan

Gratuity

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

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

		31-Mar-17 Gratuity (Funded plan)	31-Mar-16 Gratuity (Funded plan)	1-Apr-15 Gratuity (Funded plan)
(i)	Change in Defined Benefit Obligation			
	Opening defined benefit obligation	**361.67**	338.51	351.14
	Amount recognised in profit and loss	-	-	-
	Current service cost	**44.59**	46.14	45.57
	Interest cost	**25.66**	24.34	29.52

(All amounts in ` Lakhs, unless otherwise stated)

		31-Mar-17 Gratuity (Funded plan)	31-Mar-16 Gratuity (Funded plan)	1-Apr-15 Gratuity (Funded plan)
	Amount recognised in other comprehensive income	-	-	-
	Actuarial loss / (gain) arising from:	-	-	-
	Demographic assumptions	-	-	-
	Financial assumptions	**26.42**	(6.75)	39.59
	Experience adjustment	**(21.41)**	12.23	(70.31)
	Other			
	Benefits paid	**(81.86)**	(52.81)	(57.00)
	Closing defined benefit obligation	**355.07**	361.66	338.51
(ii)	Change in Fair Value of Assets			
	Opening fair value of plan assets	**286.16**	306.17	327.07
	Adjustment to Opening Fair Value of Plan Asset	**(2.14)**	-	6.44
	Amount recognised in profit and loss		-	
	Interest income	**19.48**	22.18	28.35
	Amount recognised in other comprehensive income	-	-	-
	Actuarial gain / (loss)	-	-	-
	Return on Plan Assets, Excluding Interest Income	**(1.49)**	1.43	(1.69)
	Other			
	Contributions by employer	**0.89**	9.19	2.99
	Benefits paid	**(81.86)**	(52.81)	(57.00)
	Closing fair value of plan assets	**221.04**	286.16	306.16
	Actual return on Plan Assets	-	-	-
(iii)	Plan assets comprise the following			
	Fund managed by Insurance Company (100%)	**221.04**	286.16	306.16
		221.04	286.16	306.16
(iv)	Principal actuarial assumptions used			
	Discount rate	**7.17%**	8.00%	7.80%
	Mortality rate	**IALM (2006-08) Ult.**	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Employee Attrition Rate			
	Upto Age 40	**5%**	5%	5%
	Age 41 to 50	**3%**	3%	3%
	Age 51and above	**1%**	1%	1%

v. Sensitivity analysis

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

	Gratuity			
	31-Mar-17		31-Mar-16	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(31.45)**	**36.44**	(30.94)	35.88
Employee turnover (1% movement)	**5.54**	**(6.18)**	11.88	(6.93)
Future salary growth (1% movement)	**31.97**	**(29.20)**	36.62	(32.04)

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

(All amounts in ` Lakhs, unless otherwise stated)

vi. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
March 31, 2017					
Defined benefit obligations (Gratuity)	25.16	34.88	186.71	401.19	647.94
Total	**25.16**	**34.88**	**186.71**	**401.19**	**647.94**

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2017 based on actuarial valuation using the projected accrued benefit method is ` 15.55 lakhs (March 31, 2016 : ` 33.24 lakhs).

38 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

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

1. 1,90,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2006. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2006.
2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.
3. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

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

ESOS 2006

Date of grant	Number of options (Gross)	Exercise Price (`)	Date of vesting	Vesting period (Years)	Fair Value
20-Apr-11	16,000	297	20-Apr-14	3	NA *

ESOS 2011

Date of grant	Number of options (Gross)	Exercise Price (`)	Date of vesting	Vesting period (Years)	Fair Value (`)
10-May-11	45,000	56.16	10-May-14	3	NA *
10-May-11	1,040,000	62.4	10-May-14	3	NA *
4-Aug-11	150,000	49.5	4-Aug-14	3	NA *
4-Aug-11	40,000	44.55	4-Aug-14	3	NA *
15-Sep-11	75,000	52.05	15-Sep-14	3	NA *
22-Oct-13	366,664	16	21-Oct-16	3	6.74
22-Oct-13	366,664	16	21-Oct-17	4	7.97
22-Oct-13	366,664	16	21-Oct-18	5	8.99
12-Sep-14	33,333	43.25	11-Sep-17	3	20.79
12-Sep-14	33,333	43.25	11-Sep-18	4	24.30
12-Sep-14	33,334	43.25	11-Sep-19	5	27.10
29-Jul-15	200,000	30.7	28-Jul-16	1	11.43
29-Jul-15	200,000	30.7	28-Jul-17	2	13.66
29-Jul-15	200,000	30.7	28-Jul-18	3	15.53
29-Jul-15	100,000	30.7	28-Jul-19	4	17.13
30-Jul-15	100,000	30.4	29-Jul-19	4	16.96

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

(All amounts in ` Lakhs, unless otherwise stated)

ESOS 2015

Date of grant	Number of options (Gross)	Exercise Price (`)	Date of vesting	Vesting period (Years)	Fair Value (`)
26-Jul-16	8,776	31.75	26-Jul-17	1	12.64
26-Jul-16	8,776	31.75	26-Jul-18	2	15.60
26-Jul-16	8,773	31.75	26-Jul-19	3	17.07
12-Oct-16	2,500	33.6	12-Oct-17	1	14.93
12-Oct-16	2,500	33.6	12-Oct-18	2	17.52
12-Oct-16	2,500	33.6	12-Oct-19	3	19.63

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

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

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

	ESOS 2011		ESOS 2015	
	31 March, 2017	**31 March, 2016**	**31 March, 2017**	**31 March, 2016**
Fair value at grant date (`)	6.74 - 27.10	6.74 - 27.10	12.64 - 19.63	12.64 - 19.63
Share Price at grant date (`)	16 - 43.25	16 - 43.25	31.75 - 33.60	31.75 - 33.60
Exercise price (`)	16 - 43.25	16 - 43.25	31.75 - 33.60	31.75 - 33.60
Expected volatility (weighted-average)	58.26% - 65.46%	58.26% - 65.46%	49.35% - 57.54%	49.35% - 57.54%
Expected life (Years)	2.5 - 5.5	2.5 - 5.5	2.5 - 4.5	2.5 - 4.5
Expected dividends	-	-	-	-
Risk-free interest rate (based on government bonds)	7.67% - 8.60%	7.67% - 8.60%	6.48% - 7.04%	6.48% - 7.04%

Weighted average remaining contractual life of the options as at 31-Mar-17 - 2.29 (31-Mar-16 - 3.29 & 1-Apr-15 - 4.29) years

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2017

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

C. Reconciliation of outstanding share options

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

	ESOS 2011			
	Number of options	Weighted average exercise price (`)	Number of options	Weighted average exercise price (`)
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	1,780,100	26.19	1,350,006	28.04
Add: Options granted during the year	-	-	800,000	26.86
Less: Options lapsed during the year	531,567	28.03	369,906	34.42
Less: Options exercised during the year	199,998	16.00	-	-
Options outstanding as at the year end	**1,048,535**	**27.20**	**1,780,100**	**26.19**

(All amounts in ` Lakhs, unless otherwise stated)

	ESOS 2015			
	Number of options	Weighted average exercise price (`)	Number of options	Weighted average exercise price (`)
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	-		-	
Add: Options granted during the year	33,825	32.16	-	
Less: Options lapsed during the year	9,710	31.75	-	
Less: Options exercised during the year	-		-	
Options outstanding as at the year end	**24,115**	**32.33**	**-**	

	ESOS 2006			
	Number of options	Weighted average exercise price (`)	Number of options	Weighted average exercise price (`)
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	10,680	297.00	16,000	297.00
Add: Options granted during the year				
Less: Options lapsed during the year	5,320	297.00	5,320	297.00
Less: Options exercised during the year			-	-
Options outstanding as at the year end	**5,360**	**297.00**	**10,680**	**297.00**

39. Operating leases

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

Leases as lessee

i. Future minimum lease payments

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

	March 31, 2017	March 31, 2016
Less than one year	**42.07**	35.03
Between one and five years	**17.53**	-
	59.60	35.03

ii. Amounts recognised in profit or loss

	March 31, 2017	March 31, 2016
Lease expense	**213.96**	251.21
	213.96	251.21

(All amounts in ` Lakhs, unless otherwise stated)

40 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	At 31 March 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares	846.60	-	846.60	-	-	846.60
Loans and Advances to Related Parties	-	7.48	7.48	-	-	-
Security deposits	-	282.57	282.57	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.83	-	0.83	0.83	-	-
(ii) Investment in Equity Instrument (Unquoted)	139.70	-	139.70	-	-	139.70
Current Financial assets						
Cash and cash equivalents	-	3,089.62	3,089.62	-	-	-
Loans and advances to related parties	-	12,887.39	12,887.39	-	-	-
Inter Corporate Deposits	-	744.10	744.10	-	-	-
Trade and other receivables	-	64,038.18	64,038.18	-	-	-
Earnest Money Deposit	-	21.44	21.44	-	-	-
Security & Rent deposit	-	124.78	124.78	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	192.12		192.12		192.12	
Total Financial Assets	**1,179.25**	**81,195.56**	**82,374.81**	**0.83**	**192.12**	**986.30**
Non Current Financial liabilities						
Rupee loan	-	6,181.66	6,181.66	-	-	-
Foreign currency loan	-	1,587.63	1,587.63	-	-	-
Vehicle Loans	-	26.50	26.50	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	392.00	392.00	-	-	-
Cash Credit / Packing Credit	-	70,089.48	70,089.48	-	-	-
Trade payables	-	17,797.41	17,797.41	-	-	-
Acceptances	-	12,953.84	12,953.84	-	-	-
Security deposits	-	8.41	8.41	-	-	-
Current maturities of long-term debt - From banks	-	3,269.21	3,269.21	-	-	-
Interest accrued but not due on borrowings	-	195.44	195.44	-	-	-
Unclaimed Dividends	-	6.36	6.36	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	15.77	-	15.77	-	15.77	-
Total Financial Liabilities	**15.77**	**112,507.94**	**112,523.71**	**-**	**15.77**	**-**

(All amounts in ` Lakhs, unless otherwise stated)

	At 31 March 2016					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	840.60	-	840.60	-		840.60
Investment in mutual funds	5.86	-	5.86	-	5.86	
Loans and Advances to Related Parties	-	6.57	6.57	-	-	-
Security & Rent deposit	-	240.98	240.98	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.34	-	0.34	0.34	-	-
(ii) Investment in Equity Instrument (Unquoted)	134.16	-	134.16	-	-	134.16
Current Financial assets						
Cash and cash equivalents	-	993.86	993.86	-	-	-
Loans and advances to related parties	-	12,661.58	12,661.58	-	-	-
Inter Corporate Deposits	-	737.76	737.76	-	-	-
Trade and other receivables	-	61,384.77	61,384.77	-	-	-
Earnest Money Deposit	-	42.77	42.77	-	-	-
Security & Rent deposit	-	328.09	328.09	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	52.72		52.72	-	-	-
Total Financial Assets	**1,033.68**	**76,396.38**	**77,430.06**	**0.34**	**5.86**	**974.76**
Non Current Financial liabilities						
Rupee loan	-	7,942.50	7,942.50	-	-	-
Foreign currency loan	-	2,170.03	2,170.03	-	-	-
Vehicle Loans	-	21.69	21.69	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	500.00	500.00	-	-	-
Cash Credit / Packing Credit	-	40,037.26	40,037.26	-	-	-
Trade payables	-	24,172.32	24,172.32	-	-	-
Acceptances	-	24,064.24	24,064.24	-	-	-
Security deposits	-	5.75	5.75	-	-	-
Current maturities of long-term debt - From banks	-	5,622.27	5,622.27	-	-	-
Interest accrued but not due on borrowings	-	92.34	92.34	-	-	-
Interest accrued and due on borrowings	-	14.39	14.39	-	-	-
Unclaimed Dividends	-	9.13	9.13	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	65.58		65.58		65.58	
Total Financial Liabilities	**65.58**	**104,651.92**	**104,717.50**	**-**	**65.58**	**-**

(All amounts in ` Lakhs, unless otherwise stated)

	At 1 April 2015					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	840.60	-	840.60	-	-	840.60
Investment in mutual fund	6.19	-		-	6.19	-
Loans and Advances to Related Parties	-	5.85	5.85	-	-	-
Security & Rent deposit	-	257.67	257.67	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.29	-	0.29	0.29	-	-
(ii) Investment in Equity Instrument (Unquoted)	124.49	-	124.49			124.49
Current Financial assets						
Cash and cash equivalents	-	2,460.21	2,460.21	-	-	-
Loans and advances to related parties	-	10,819.56	10,819.56	-	-	-
Inter Corporate Deposits	-	1,098.12	1,098.12	-	-	-
Trade and other receivables	-	54,973.63	54,973.63	-	-	-
Earnest Money Deposit	-	56.17	56.17	-	-	-
Security & Rent deposit	-	390.87	390.87	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts	220.96	-	220.96	-	220.96	
Total Financial Assets	**1,192.53**	**70,062.08**	**71,248.42**	**0.29**	**227.15**	**965.09**
Non Current Financial liabilities						
Rupee loan	-	10,463.45	10,463.45	-	-	-
Foreign currency loan	-	2,561.81	2,561.81	-	-	-
Vehicle Loans	-	26.23	26.23	-	-	-
Current Financial liabilities						
Working capital loans from banks	-	500.00	500.00	-	-	-
Cash Credit / Packing Credit	-	40,913.76	40,913.76	-	-	-
Trade payables	-	17,457.16	17,457.16	-	-	-
Acceptances	-	18,074.94	18,074.94	-	-	-
Security deposits	-	5.75	5.75	-	-	-
Current maturities of long-term debt - From banks	-	3,274.28	3,274.28	-	-	-
Interest accrued but not due on borrowings	-	111.44	111.44	-	-	-
Interest accrued and due on borrowings	-	0.31	0.31	-	-	-
Unclaimed Dividends	-	10.51	10.51	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	108.36	-	108.36	-	108.36	-
Total Financial Liabilities	**108.36**	**93,399.64**	**93,508.00**	**-**	**108.36**	**-**

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

B. Measurement of fair values

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

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

(All amounts in ` Lakhs, unless otherwise stated)

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

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

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

Financial instruments measured at fair value

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

Level 3 fair values

Reconciliation of Level 3 fair values

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

Paticulars	Equity securities (` in lakhs)
Opening Balance(1 April 2015)	965.09
Net change in fair value (unrealised) / Addition	9.67
Closing Balance (31 March 2016)	974.76
Opening Balance(1 April 2016)	974.76
Net change in fair value (unrealised) / Addition	11.54
Closing Balance (31 March 2017)	986.30

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

Transfers between Levels

There are no transfers betweeen the levels

C. Financial risk management

i. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

(All amounts in ` Lakhs, unless otherwise stated)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The companies exposure are continuously monitored.Trade receivables consist of customers which are sovereign in nature, hence exposure to default on it contractual obligation is minimal. The company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix.

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2017	March 31, 2016	April 1, 2015
Not due	**36,132.48**	38,473.70	23,711.83
0-180 days	**16,585.17**	10,311.27	19,127.89
More than 180 days	**16,832.84**	17,960.05	17,401.87
	69,550.49	66,745.02	60,186.38

Management believes that the unimpaired amounts that are past due by more than 180 days are collectible. Considering the nature of industry, past experience, correspondences with customer, on going business relationships with these customers.

At March 31, 2017, the Company's most significant customer accounted for ` 20,998.16 Lakhs of the trade and other receivables carrying amount (March 31, 2016 ` 23295.23 Lakhs, April 1, 2015 ` 14426.84 Lakhs).

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Carrying amount
Balance as at April 1, 2015	5,212.75
Impairment loss recognised	300.00
Amounts written off	152.50
Balance as at March 31, 2016	**5,360.25**
Impairment loss recognised	225.00
Amounts written off	72.94
Balance as at March 31, 2017	**5,512.31**

At March 31, 2017, there was an impairment loss of ` 72.94 Lakhs (152.49 Lakhs as on 31-Mar-16) related to a customer that was due to price differences, excise duty difference and old balance no more receivable.

Cash and cash equivalents

The Company held cash and cash equivalents of `1836.84 Lakhs at March 31, 2017 (March 31, 2016: `230.72 Lakhs, April 1, 2015 ` 2383.98 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with banks with good credit ratings.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(All amounts in ` Lakhs, unless otherwise stated)

Company has approached lenders to restructure the debts including the option of Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) with the reference date of November 16, 2016.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows					
March 31, 2017	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	8,932.99	9,658.52	4,574.22	4,593.13	491.17	-
Foreign currency term loans from banks (Incl. Current Maturities)	2,132.01	2,301.35	611.76	1,150.64	538.95	-
Current Financial liabilities		-				
Working capital loans from banks	392.00	392.00	392.00			
Cash Credit / Packing Credit	70,089.48	70,089.48	70,089.48			
Acceptances	12,953.84	12,953.84	12,953.84			
Trade payables	17,797.41	17,797.41	17,797.41			
Security deposits	8.41	8.41	8.41			
Interest accrued but not due on borrowings	195.44	195.44	195.44			
Unclaimed Dividends	6.36	6.36	6.36			
Total non-derivative liabilities	**112,507.94**	**113,402.81**	**106,628.92**	**5,743.77**	**1,030.12**	**-**
Derivative financial liabilities						
Forward exchange contracts	15.77	15.77	15.77			
Total derivative liabilities	**15.77**	**15.77**	**15.77**	**-**	**-**	**-**

	Contractual cash flows					
March 31, 2016	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	13,043.95	15,178.70	4,803.79	9,563.62	811.29	-
Foreign currency term loans from banks (Incl. Current Maturities)	2,712.54	3,003.06	650.54	1,801.59	550.93	-
Current Financial liabilities						
Working capital loans from banks	500.00	500.00	500.00			
Cash Credit / Packing Credit	40,037.26	40,037.26	40,037.26			
Acceptances	24,064.24	24,064.24	24,064.24			
Trade payables	24,172.32	24,172.32	24,172.32			
Security deposits	5.75	5.75	5.75			
Interest accrued but not due on borrowings	106.73	106.73	106.73			
Unclaimed Dividends	9.13	9.13	9.13			
Total non-derivative liabilities	**104,651.92**	**107,077.19**	**94,349.76**	**11,365.21**	**1,362.22**	**-**
Derivative financial liabilities						
Forward exchange contracts	65.58	65.58	65.58			
Total derivative liabilities	**65.58**	**65.58**	**65.58**	**-**	**-**	**-**

(All amounts in ` Lakhs, unless otherwise stated)

		Contractual cash flows				
April 1, 2015	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	13,379.69	16,048.64	4,587.82	7,724.54	3,416.16	320.12
Foreign currency term loans from banks (Incl. Current Maturities)	2,946.08	3,457.30	634.75	1,199.21	1,105.53	517.81
Current Financial liabilities						
Working capital loans from banks	500.00	500.00	500.00			
Cash Credit / Packing Credit	40,913.76	40,913.76	40,913.76			
Acceptances	18,074.94	18,074.94	18,074.94			
Trade payables	17,457.16	17,457.16	17,457.16			
Security deposits	5.75	5.75	5.75			
Interest accrued but not due on borrowings	111.75	111.75	111.75			
Unclaimed Dividends	10.51	10.51	10.51			
Total non-derivative liabilities	**93,399.64**	**96,579.81**	**82,296.44**	**8,923.75**	**4,521.69**	**837.93**
Derivative financial liabilities						
Forward exchange contracts	108.36	108.36	108.36			
Total derivative liabilities	**108.36**	**108.36**	**108.36**	**-**	**-**	**-**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy. However price variation clause in contracts entered with customer protects company from any impact due to changes in commodity prices

Currency risk

The Company is exposed to currency risk on account of its trade receivables, loans, borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 52.85 USD 3.45	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.23	Buy

Company do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2016:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 73.55 USD 24.42	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 11.12	Buy

(All amounts in ` Lakhs, unless otherwise stated)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

	March 31, 2017			
	USD	**EURO**	**MWK**	**Others**
Financial assets				
Current Assets				
Trade receivables	5,687.30	-	1.24	-
Less: Forward currency contract	3,678.11	-	-	-
Net Trade receivables	2,009.19	-	1.24	-
Loans	10,510.49	-	-	3.97
Cash & Cash equivalents	14.89	-	52.38	0.48
	12,534.57	-	53.62	4.45
Financial liabilities				
Long term borrowings	2,132.00	-	-	-
Short term borrowings	2,602.19	-	-	-
Trade and other payables	425.62	90.42	5.45	2.75
Less: Forward currency contract	240.58	89.35	-	-
Net Trade Payable	185.04	1.07	5.45	2.75
	4,919.22	1.07	5.45	2.75
Net exposure	**7,615.34**	**-1.07**	**48.17**	**1.70**

	March 31, 2016			
	USD	**EURO**	**MWK**	**Others**
Financial assets				
Trade receivables	5,419.98	-	-	-
Less: Forward currency contract	4,981.72	-	-	-
Net Trade receivables	438.26	-	-	-
Loans	10,203.63	-	-	4.23
Cash & Cash equivalents	1.33	-	-	-
	10,643.22	-	-	4.23
Financial liabilities				
Long term borrowings	2,712.53	-	-	-
Short term borrowings	3,694.25	-	-	-
Trade and other payables	1,840.03	883.12	-	28.60
Less: Forward currency contract	1,698.27	879.20	-	-
Net Trade Payable	141.76	3.93	-	28.60
	6,548.54	3.93	-	28.60
Net exposure	**4,094.68**	**-3.93**	**-**	**-24.37**

	April 1, 2015			
	USD	**EURO**	**MWK**	**Others**
Financial assets				
Trade receivables	10,709.35	467.31	-	210.00
Less: Forward currency contract	(1,310.61)	(585.08)	-	-
Net Trade receivables	9,398.73	(117.76)	-	210.00

(All amounts in ` Lakhs, unless otherwise stated)

Loans	8,646.94	-	-	3.92
Cash & Cash equivalents	0.69	-	-	-
	18,046.36	(117.76)	-	213.91
Financial liabilities				
Long term borrowings	2,946.1	-	-	-
Short term borrowings	2,512.2	-	-	-
Trade and other payables	2,167.0	400.1	-	2.6
Less: Forward currency contract	(1,082.9)	(174.9)	-	-
Net Trade Payable	1,084.1	225.2	-	2.6
	6,542.4	225.2	-	2.6
Net exposure	**11,503.9**	**(342.9)**	**-**	**211.3**

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD	67.09	65.46	64.84	66.33
EUR	73.61	72.31	69.25	75.10
MWK	0.09	0.10	0.09	0.10

MWK is Malawian Kwacha and the currency is being used in Malawi.

Other currencies includes Nepalese Rupee (NPR), Zambian Kwacha (ZMK), Singapore Dollar (SGD) and Swiss Franc (CHF)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
Effect in `	Strengthening	Weakening
March 31, 2017		
3% movement		
USD	(228.46)	228.46
EUR	0.03	(0.03)
MWK	(1.45)	1.45
Others	(0.05)	0.05
	(229.92)	229.92

	Profit or loss	
Effect in `	Strengthening	Weakening
March 31, 2016		
3% movement		
USD	(122.84)	122.84
EUR	0.12	(0.12)
Others	(0.73)	0.73
	(123.45)	123.45

(All amounts in ` Lakhs, unless otherwise stated)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and loans and advances. Borrowings issued at fixed rates and loans and advances exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	March 31, 2017	March 31, 2016	April 1, 2015
Fixed-rate instruments			
Financial liabilities	**14,399.55**	26,412.54	19,321.64
	14,399.55	26,412.54	19,321.64
Variable-rate instruments			
Financial liabilities	**80,100.77**	53,945.45	56,492.83
	80,100.77	53,945.45	56,492.83
Total	**94,500.32**	80,357.99	75,814.47

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
March 31, 2017		
Variable-rate instruments	(801.01)	801.01
Cash flow sensitivity (net)	(801.01)	801.01
March 31, 2016		
Variable-rate instruments	(539.45)	539.45
Cash flow sensitivity (net)	(539.45)	539.45

(All amounts in ` Lakhs, unless otherwise stated)

41. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital and capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows.

	As at March 31, 2017	As at March 31, 2016	As at April 1 2015
Total liabilities	**94,500**	80,358	75,814
Less : Cash and cash equivalent	**1,837**	231	2,384
Adjusted net debt	**92,663**	80,127	73,430
Total equity	**46,636**	53,469	55,997
Less : Hedging reserve	**-**	-	-
Adjusted equity	**46,636**	53,469	55,997
Adjusted net debt to adjusted equity ratio	**1.99**	1.50	1.31

42. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	24.54	0.52	25.06
(+) Permitted receipts	-	0.60	0.60
(-) Permitted payments	-	0.23	0.23
(-) Amount deposited in Banks	24.54	0.05	24.59
Closing cash in hand as on 30.12.2016	-	0.84	0.84

43 First - time adoption of Ind AS

I. First-time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the presentation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Business combination

Ind AS 101 provide the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The company elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(All amounts in ` Lakhs, unless otherwise stated)

b) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and Investment property

Ind AS 101 permits a first time adoptter to continue with the carrying value for all its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its PPE, intangible asset and investment property at their previous GAAP carrying values.

c) Deemed cost for investment in subsidiary

The Company has elected to use the previous GAAP carrying amount of its investment in subsidiary on the date of transition as its deemed cost on that date, in its separate financial statements except two subsidiaries which are stated at fairvalue on the date of transition.

d) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in quoted equity shares.

e) Share based payments

The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

II. Exceptions from full retrospective application:

a) Estimates

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

The company made estimate for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds carried at FVTPL.

- Investment in equity instruments carried at FVTPL

d) Classification and measurement of financial assets

The Company has classified and measured the financial assets (investment in debt instruments) on the basis of facts and circumstances that exist at the date of transition to Ind AS.

e) Long term foreign currency monetary items

Under previous GAAP, paragraph 46/ 46A of AS 11 The Effects of Changes in Foreign Exchange rate, provide an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency moentary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. The company has availed optional exemption to continue the above accounting treatment in respect of the long term foreign currency monetary items recognised in the financial statements for the period immediately before the begining of first Ind AS reporting period i.e 1 April 2015.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company

(All amounts in ` Lakhs, unless otherwise stated)

43 (i) Reconciliation of Balance sheet as at April 01 2015

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		27,149.16	-	27,149.16
(b) Capital work-in-progress		105.16	-	105.16
(c) Other Intangible assets		1,711.29	-	1,711.29
(d) Financial Assets		-		
(i) Investments in Subsidiaries	2	7,560.00	2,198.80	9,758.80
(ii) Investments	1	962.72	8.85	971.57
(iii) Long-term loans and advances		5.85		5.85
(iv) Others	6 & 7	268.64	(10.97)	257.67
(e) Deferred tax assets		424.20		424.20
(f) Other non-current assets	6 & 7	173.05	87.20	260.25
Total non current assets		**38,360.07**	**2,283.88**	**40,643.95**
Current Assets				
(a) Inventories		20,238.77	-	20,238.77
Financial Assets				
(i) Trade and other receivables	5	58,461.28	(3,487.65)	54,973.63
(ii) Cash and cash equivalents		2,383.98	-	2,383.98
(iii) Other bank balances		76.23	-	76.23
(iv) Short-term loans and advances		11,917.68	-	11,917.68
(v) Others	4	502.25	165.74	668.00
(b) Tax Asset		1,185.30	-	1,185.30
(c) Other Current Assets	6 & 7	31,105.67	(206.68)	30,898.99
Total current assets		**125,871.18**	**(3,528.60)**	**122,342.58**
TOTAL ASSETS		**164,231.25**	**(1,244.72)**	**162,986.53**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		1,351.52	-	1,351.52
(b) Other equity	1-9	56,837.42	(2,191.61)	54,645.81
Equity attributable to equity holders of the parent		58,188.93	(2,191.61)	55,997.33
Total equity		**58,188.93**	**(2,191.61)**	**55,997.33**
Non current liabilities				
Financial liabilities				
(a) Long term borrowings		13,051.49	-	13,051.49
(b) Long term provisions		98.91	-	98.91
(c) Deferred tax liabilities(net)	8	1,313.19	1,008.67	2,321.86
Total non current liabilities		14,463.58	1,008.67	15,472.26

(All amounts in ` Lakhs, unless otherwise stated)

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Current liabilities				
(a) Financial liabilities				
(i) Short term borrowings		59,488.70	-	59,488.70
(ii) Trade and other payables		17,457.16	-	17,457.16
(iii)Other financial liabilities	4	3,491.10	19.55	3,510.65
(b) Other current liabilities		10,429.92	-	10,429.93
(c) Short term provisions	3	711.83	(81.33)	630.50
Total current liabilities		91,578.73	(61.78)	91,516.94
Total liabilities		106,042.31	946.89	106,989.20
Total Equity and Liabilities		164,231.25	(1,244.72)	162,986.53

(ii) Reconciliation of Balance sheet as at March 31, 2016

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
NON-CURRENT ASSETS				
Non-Current Assets				
(a) Property Plant & Equipment		25,768.34	-	25,768.34
(b) Capital work in progress		242.06	-	242.06
(c) Other intangible assets		1,219.69	-	1,219.69
(d) Intangible assets under development		571.32	-	571.32
(e) Financial Assets				
(i) Investments in Subsidiaries	2	8,920.01	2,198.80	11,118.81
(ii) Investments	1	962.72	18.24	980.96
(ii) Loans		6.57	-	6.57
(iii) Others	7	241.48	(0.50)	240.98
(f) Deferred Tax Asset		501.08	-	501.08
(g) Other Non-Current Assets		90.43	-	90.42
Sub-Total of Non Current Assets		**38,523.69**	**2,216.54**	**40,740.23**
				-
CURRENT ASSETS				-
(a) Inventories		20,603.94	-	20,603.93
(b) Financial Assets				
(i) Trade receivables	5	64,872.42	(3,487.61)	61,384.77
(ii) Cash & Cash equivalents		230.72	-	230.73
(iii) Other bank balances		763.13	-	763.13
(iv) Loans		13,399.34	-	13,399.34
(v) Others	4	425.02	(1.44)	423.58
(c) Tax Asset		1,614.23	-	1,614.23
(d) Other Current Assets	6&7	31,430.78	(969.93)	30,460.85
Sub-Total Current Assets		**133,339.59**	(4,458.98)	**128,880.56**
Total - ASSETS		**171,863.28**	**(2,242.44)**	**169,620.79**

(All amounts in ` Lakhs, unless otherwise stated)

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital		1,351.52	-	1,351.52
(b) Other Equity	1-9	54,297.84	(2,180.42)	52,117.41
Sub-Total Equity		**55,649.35**	**(2,180.42)**	**53,468.93**
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		10,134.22	-	10,134.22
Deferred Tax Liability (net)	8	181.46	(127.62)	53.84
(b) Provisions		79.34	-	79.34
Sub-Total Non Current Liabilities		**10,395.02**	**(127.62)**	**10,267.40**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		64,601.50	-	64,601.50
(ii) Trade Payables		24,172.32	-	24,172.32
(iii) Other Financial liabilities	4	5,743.88	65.58	5,809.46
(b) Provisions		518.57	-	518.57
(d) Other Current Liabilities		10,782.64	-	10,782.63
Sub-Total Current Liabilities		**105,818.91**	**65.58**	**105,884.48**
Total - EQUITY AND LIABILITIES		**171,863.28**	**(2,242.44)**	**169,620.79**

(iii) Reconciliation of total comprehensive income for the year ended March 31, 2016

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind As
REVENUE				
Revenue from operations (Gross)		83,798.97	-	83,798.97
Other Income	1	58.84	(9.90)	68.74
Total Revenue		**83,857.81**	**(9.90)**	**83,867.71**
EXPENSES				
a) Cost of materials consumed		44,794.32	-	44,794.32
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		50.34	-	50.34
c) Purchase of Traded Goods		16,958.67	-	16,958.67
d) Excise Duty		3,173.87	-	3,173.87
e) Employee benefits expense	9	3,955.64	(57.11)	4,012.75
f) Finance Costs	7	9,542.90	(109.56)	9,652.46
g) Depreciation and amortisation expense		1,963.69	-	1,963.69
h) Other Expenses	4,6	7,089.68	(944.13)	8,033.81
Total Expenses		**87,529.12**	**(1,110.80)**	**88,639.92**
Profit before exceptional and extraordinary items and tax		(3,671.30)	1,100.90	(4,772.21)
Exceptional Items				
Profit/(loss) before tax		(3,671.30)	1,100.90	(4,772.21)

(All amounts in ` Lakhs, unless otherwise stated)

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind As
Tax Expense				
Deferred Tax	8	(1,131.73)	1,134.88	(2,266.61)
Net Profit after Tax		**(2,539.58)**	**(33.99)**	**(2,505.60)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
a) Remeasurement of post employment benefit obligations	9	-	(4.06)	4.06
b) Income Tax on above	8	-	(1.41)	1.41
Total other comprehensive income		**-**	(2.65)	**2.65**
Total comprehensive income for the period		(2,539.58)	(31.34)	(2,508.25)

(iv) Reconciliation of Total Equity as at 31 March 2016 and 1 April 2015

Particulars	**Note**	**As on 1 April 2015**	**As on 31 March 2016**
Net worth under IGAAP		**58,188.93**	**55,649.35**
Summary of Ind AS adjustments			
Fair valuation of investments in mutual funds	1	1.12	0.84
Fair valuation of investment in quoted equity shares	1	7.73	17.40
Fair valuation of Investment in Subsidiaries	2	2,198.80	2,198.80
Proposed dividend on equity shares and tax thereon reversed to retained earnings	3	81.33	-
Accounting for derivative and foreign exchange differences	4	146.20	(67.03)
Impairment of trade receivables as per expected credit loss model	5	(3,487.65)	(3,488.15)
Remeasurement cost of acquiring a contract	6	(336.37)	(1,067.29)
Other impact	7	205.90	97.35
Deferred tax on above adjustments	8	(1,008.67)	127.62
Total Ind AS adjustments		**(2,191.60)**	**(2,180.45)**
Net worth under Ind AS		**55,997.34**	**53,468.91**

(ii) Reconciliation of Comprehensive income for the year ended on 31 March 2016

Particulars	**Note**	**As on 31 March 2016**
Profit /Loss IGAAP		**(2,539.58)**
Summary of Ind AS adjustments		
Fair valuation of investments in mutual funds	1	(0.28)
Fair valuation of investment in quoted equity shares	1	9.67
Accounting for derivative and foreign exchange differences	4	(213.23)
Remeasurement cost of acquiring a contract	6	(730.92)
Other impact	7	(108.55)
Deferred tax on above adjustments	8	1,136.29
Remeasurement of defined benefit liabilities	9	(61.17)
Total Ind AS adjustments		**31.81**
Comprehensive income under Ind AS		**(2,507.77)**

(All amounts in ` Lakhs, unless otherwise stated)

Notes to the reconciliation:

1 **Fair valuation of investments in mutual funds, quoted and unquoted equity shares**

Under previous GAAP, invesments in mutual funds, quoted and unquoted equity shares were classified as long term investments and measured at cost reduced for dimunition. Under Ind AS, these invesments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

2 **Fair valuation / Impairment of investment in equity shares of subsidiary:**

Under Indian GAAP, investment in equity shares of subsidiary was measured at cost in the standalone financial statements of the company. Under Ind AS, as per 101 exemption, investment in equity shares of subsidary can be measured at fair value after considering impairment loss as on the date of transition and the same will be considered as deemed cost of investment in subsidiary.

3 **Proposed dividend**

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.In the case of the Company, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

4 **Accounting for derivative and foreign exchange differences:**

Ind AS 109 requires all derivatives to be measured at fair value as per Ind AS 113 on the reporting date with both unrealised gains and losses being recognised in the statement of profit and loss for the period in which such changes arise, unless hedge accounting is applied. Accordingly the company has fair valued foreign currency forward contracts outstanding as at transition date and as at 31 March 2016 and recognised gain / loss in the retained earnings and statement of profit and loss respectively and corresponding effect is given to asset or liability for gain and loss respectively, as Derivative Asset and Derivative liability.Under Ind AS, the company has restated foreign currency trade receivables at the spot rate on the reporting date reversing the effect of restatements done at forward rate under previous GAAP.

5 **Trade receivables:**

Under Indian GAAP, the company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

6 **Cost of acquiring a contract:**

Under Indian GAAP, cost paid to acquire a contract was charged to profit and loss account as and when the sales occrued or the billing was made. Under Ind AS, since revenue based amortisation is not permitted the cost is charged to profit and loss account over the period of sales contract or based on percentage of work completed.

7 **Interest bearing loans and borrowings:**

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan.

8 **Deferred Tax:**

Various transitional adjustments led to temporary differences as on the transition date. The net impact on deferred tax liabilities on the transitional adjustments is debited to Equity.

MAT Credit:

Under Previous GAAP, MAT credit was disclosed under noncurrent/current assets. In accordance with Ind AS 12, deferred tax assets shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax assets.

9 **a) Remeasurement of defined benefit liabilities:**

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under profit or loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

(All amounts in ` Lakhs, unless otherwise stated)

b) Share based payments :

Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind-AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

(iii) Reconciliation of statement of Cash Flow

There are no material adjustments to the statement of cash flow as reported under previous GAAP

44 Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the Company has only one reportable segment as follows:

- Transmission and Distribution Segment within Power Sector

  The Chairman of the Company acts as the Chief Operating Decision Maker ("CODM").

  The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from the Country of Domicile- India	**79,033.25**	72,625.16
Revenue from foreign countries	**7,704.59**	11,173.81

B. Information about major customers

Revenue from single largest customers of the Company was ` 25820.41 lakhs is 29.77% of total sales ( ` 37132.66 lakhs is 44.31%of total sales)

45 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

46 RELATED PARTY DISCLOSURE AS PER IND-AS - 24

A List of Related Parties over which control exists

(i) Subsidiaries

Emco Power Limited
Emco Renewable Energy Limited
Emco Infrastructure Limited
Emco Transmission Networks Limited
Emco Overseas Pte. Limited
PT Setenco Investa Niaga
Shekhawati Transmission Service Company Limited
Emco Global DMCC (Incorporated on 21.01.2016)

B Name of the associates and joint ventures with whom transactions were carried out during the year

(i) Joint Ventures

PT Vardhaman Logistics
PT Vardhaman Mining Services
Rabaan (s) Pte. Limited.
Shyam Emco Infrastructure Limited
Kalinga Energy & Power Limited
PT Bina Insan Sukses Mandiri

(All amounts in ` Lakhs, unless otherwise stated)

(ii) Association of Persons

Arki Aviation

C Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) Key Management Personnel and their Relatives

Mr. Rajesh S. Jain
Mr. Shailesh S. Jain
Ms Meenakshi Jain
Ms Ratna S. Jain

(ii) Entities where Key Management Personnel have Significant Influence

Emco Foundation

Emco Investments Private Limited

D List of Transaction with Related Party

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March		
	2017	2016	2017	2016	2015
Sale of good and services					
Subsidary company	-	559.95	-	-	
Loans given					
Subsidary company	2,626.37	1,393.63	12,895.95	12,668.15	10,847.64
Entity having significant influence over the company	1,400.00	-	7.04		
Repayment of loans					
Subsidary company	1,874.98	1,080.53	-	-	-
Entity having significant influence over the company	1,400.00	-	-	-	-
Investment					
Subsidiaries	18.48	1,360.01	11,137.29	11,118.81	9,758.80
Compensation paid to relative of key Managerial personnel					
Short term employee benefits*	32.86	33.26	-	-	-
Rent and Compensation					
Relative of Key managerial personnel	33.83	35.48	2.84	-	-
Rent Deposit given					
Relative of Key managerial personnel	-	-	100.00	100.00	100.00
Director Sitting Fees					
Key managerial personnel	1.60	1.60	-	-	-
Expenses incurred					
Subsidary & JV Company	33.01	-	619.32	21.10	336.19
Entity having significant influence over the company	86.08	39.20	51.08	10.38	22.64
Expenses recovered	-	-	-	-	-
Subsidary & JV Company	4.62	-	1.08	-	22.23
Donation					
Entity having significant influence over the company	11.00	21.50	-	-	-
Interest income					
Subsidary & JV Company	785.00	946.72	-	-	-
Entity having significant influence over the company	7.05	-	-	-	-
Guarantee Commission					
Subsidary & JV Company	43.25	43.06	-	-	-
Exceptional Item (Loan written off)					
Subsidary	859.43	-	-	-	-

*This aforesaid amount does not includes amount in respect of gratuity and leave as the same is not determinable.

(All amounts in ` Lakhs, unless otherwise stated)

Disclosure under Schedule V read with Regulation 34(3) of SEBI (L.O.D.R) Regulation, 2015

Loans and Advance in the nature of loan given to subsidiary during the year

Name of Related Party	As at 31st March 2017		As at 31st March 2016	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Emco Overseas Pte. Limited	**10,564.02**	**12,451.85**	10,257.41	10,260.48
Emco Power Limited	**1,712.61**	**2,805.08**	2,389.64	2,389.64
Shekhawati Transmission Service Company Limited	**610.76**	**610.76**	14.53	969.94
Emco Infrastructure Limited	**7.48**	**7.48**	6.57	6.57

Investment by the loanee in the shares of the Company

a None of the loanees and/or subsidiary companies of loanee have, per se, made investments in shares of the Company.

b Investment by EMCO Infrastructure Ltd. in Equity Shares of Subsidiaries

Name of The Company	No of Shares
Emco Transmission Networks Ltd	37,560

c Investment by EMCO Oversease Pte Ltd. in Equity Shares of Subsidiaries

Name of The Company	No of Shares
PT Setenco Investa Niaga	988

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
47 CONTINGENT LIABILITIES AND COMMITMENTS			
I) Contingent Liabilities			
(to the extent not provided for)			
a) Bank Guarantees outstanding as at the year end (gross) -(Secured)	**59,141.30**	72,380.69	69,472.33
b) Letters of Credit outstanding as at the year end (Secured)	**1,912.21**	6,184.58	4,994.92
c) Guarantee for Subsidiary Company	**8,429.02**	8,612.50	8,088.60
II) Legal Disputes			
a) Disputed amount of Sales Tax.	**3,344.27**	3,175.33	784.01
b) Claim made by workmen for re-instatement. Matter Subjudice.	**Amount not ascertainable**		
c) Disputed amount of Income Tax.	**97.97**	84.38	117.44
d) Disputed amount of Excise duty	**3,918.18**	3,141.63	2,773.40
e) Disputed amount of Service tax.	**249.77**	258.57	238.80
f) Claims against Company not acknowledged as debt	**648.89**	975.88	857.51
III) Other Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**38.13**	70.51	97.65
48 PROVISION FOR WARRANTIES			
Warranty Provision			
Opening Balance	**395.11**	568.63	
Provision for the year	**(167.22)**	(105.13)	
Expenses during the year	**9.26**	68.39	
Closing Balance	**218.63**	395.11	

Note:

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products.

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March 2017	As at 31st March 2016
49	**DISCLOSURE UNDER IND - AS 11 'CONSTRUCTION CONTRACTS'**		
	Contract Revenue recognised as revenue for the year ended	**35,329.65**	37,690.37
	Aggregate amount of contract costs incurred and recognised profits (less sum of recognised losses and progress billings) up to 31st March for all the contracts in progress	**109,502.63**	242,402.35
	The amount of customer advances outstanding for contracts in progress as at 31st March	**1,337.02**	3,322.91
	The amount of retentions due from customers for contracts in progress as at 31st March	**8,025.86**	16,880.05

50 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

51 As at March 31, 2017, credit facilities are overdrawn including interest to the extent of ` 32080.44 lakhs and term loans instalments are due for payment to the extent of ` 1,304.38 lakhs and Interest on term loan of ` 646.69 lakhs is accrued and due as at year end. Company has approached lenders to restructure the debts including the option of Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) with the reference date of November 16, 2016. Management is confident of a debt resolution and believes its implementation together with realisations from the sale of non-core assets will reduce the debt, thereby reducing the finance cost, improve the liquidity and profitability of the company's operations in future and therefore, these financial statements have been prepared on going concern basis.

52 Balances of Trade Receivable , Trade Payable, Loans and Advances and other balances are as per books of account and subject to confirmation and reconciliation, if any. In the opinion of the management balances shown under Sundry Debtors, Accrued value of work done and Loans and Advances have approximately the same realisable value as shown in the accounts.

53 Company falls under the definition of infrastructural facilities as defined under explanation to section 186 of the Act. Hence section 186 of the Act is not applicable to such companies

54 As per Section 135 of the Companies Act 2013, nothing is to be incurred on corporate social responsibility activity, however the company has spent ` 11.52 Lakhs during the year.

Details of Amount spent towards CSR given below:

(` in Lakhs)

Particulars	2016-17	2015-16
Education	11.08	19.65
Others	0.44	0.18
Total	**11.52**	19.83

55 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 27, 2017.

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

		Sd/-	Sd/-
For P. RAJ & CO. **Chartered Accountants** Firm Registration No. 108310W	**For CHATURVEDI & SHAH** **Chartered Accountants** Firm Registration No. 101720W	**R. S. Jain** Chairman DIN:00005829	**S. S. Jain** Vice Chairman DIN:00006180
Sd/-	Sd/-	Sd/-	Sd/-
S. V. Chheda **Partner** Membership No. 103938 Mumbai, 27th May, 2017	**Amit Chaturvedi** **Partner** Membership No. 103141 Mumbai, 27th May, 2017	**Amit Sudhakar** Chief Financial Officer ICAI.M.No.90429	**Ganesh Tawari** Company Secretary ICSI. M.No. A12896

INDEPENDENT AUDITOR'S REPORT

To the Members of Emco Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Emco Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and jointly controlled entities comprising of the consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

Management's Responsibility for the consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting standard) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and its joint controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Company as at 31st March, 2017, and its consolidated loss (financial performance) including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

Attention is invited to following notes of Audited Accounts:

1. Note no. 51 of accompanying consolidated financial statement regarding the overdrawn credit facilities including interest of Rs. 32,080 Lakhs and term loan instalments of Rs. 1,304.38 Lakhs that are due for repayment and interest payable on term loan of Rs. 646.69 Lakhs. Company has approached its lenders to restructure the debts under the aegis of S4A scheme. Management of the company is confident that S4A scheme will be approved by lenders resulting into improved liquidity and profitability and therefore, these financial statements are prepared on going concern basis.

2. Note no. 9 (a) of accompanying consolidated financial statement in respect of the outstanding dues and liquidated damages / deduction made by two customers aggregating to Rs. 7,549.17 Lakhs, which are carried as Trade Receivables. Company has filed legal cases against these customers for the recovery of the same. Pending outcome of the matter which is presently unascertainable, no adjustments have been made in the financial statements.
3. Note no. 9 (b) of accompanying consolidated financial statement relating to uncertainties relating on recoverability of trade receivables of Rs. 21,285.72 Lakhs, as at March 31 2017, raised in the earlier years in respect of supplies or projects closed or substantially completed and where the claims are currently under negotiations and discussions with the customers. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the financial statements.
4. Note no. 52 in respect of one of the subsidiary company, wherein appropriateness to its going concern assumption is dependent upon the financial closure of Concession Agreement which is delayed. Inspite of the delays, management is confident about the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly accounts of the subsidiary for the year have been drawn on going concern basis.

Our opinion is not qualified in respect of these matters.

Other Matter

1. Financial statements of five subsidiaries which reflect total assets of Rs.4,118.26 Lakhs as at March 31, 2017, total revenue of Rs.1.28 Lakhs and net cashflow of Rs.71.07 Lakhs for the year then ended, have been audited by P. RAJ & CO., Chartered Accountants, one of the joint auditors of the Company.
2. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.926.96 Lakhs as at March 31, 2017, total revenue of Rs.827.40 Lakhs and net cash flow of Rs. 195.86 Lakhs for the year ended March 31, 2017 as considered in the consolidated financial statement. The consolidated financial statement also include Group's share of net profit of Rs. 1,180.09 Lakhs the year ended on March 31, 2017 in respect of five jointly controlled entities, whose financial statements and other financial information have been audited by other auditors whose reports has been furnished to us and our opinion on the consolidated financial statement to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
3. We did not audit financial statements of one subsidiary, whose financial statements reflect total assets of Rs.10,508.13 Lakhs as at March 31, 2017, total revenue of Rs.1,392.64 Lakhs and net cashflow of Rs.241.35 Lakhs for the year ended March 31, 2017, as considered in consolidated financial statement. The consolidated financial statement also include Group's share of net profit of Rs. 30.35 Lakhs for the year ended March 31, 2017 in respect of one jointly controlled entity not audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts included in respect of this subsidiary and jointly controlled entity is based solely on such unaudited 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 the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as its appears from our examination of those books and the reports of the other auditors.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
   e) The matters described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.

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

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

   i) The consolidated financial statement discloses the impact of pending litigations on the consolidated financial position of the Group and it's jointly controlled entities – Refer Note 47 (II) to the consolidated financial statements.

   ii) The Group and it's jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

   iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, jointly controlled companies incorporated in India.

   iv) The Holding company have provided requisite disclosure in note no. 40 to the these consolidated financial statements as to the holding as well as dealings in Specified Bank notes as defined in the Notification S.O.3407(E) dated the November 8, 2016 of the ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on our audit procedure and relying on the management representation of the Holding company regarding the holding and the nature of cash transaction, including Specified Bank notes, we report that these disclosure are in accordance with the books of accounts maintained by the Holding Company and the respective group entities, as produced to us and based on the consideration of report of other auditors, referred to in the Other Matters paragraph above.

For CHATURVEDI & SHAH	**For P. RAJ & CO.**
Chartered Accountants	**Chartered Accountants**
(Firm Registration no. : 101720W)	**(Firm Registration No. : 108310W)**
Amit Chaturvedi	**S. V. Chheda**
Partner	Partner
Membership No.: 103141	Membership No. : 103938
Mumbai	Mumbai
Date: 27th May 2017	Date: 27th May 2017

"Annexure A" to Independent Auditors' Report referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of **Emco Limited** (hereinafter referred to as "the Holding company") and its subsidiary companies and its jointly controlled entities, which are companies incorporated in India as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as its relates to five subsidiary companies and two joint ventures which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

For CHATURVEDI & SHAH	**For P. RAJ & CO.**
Chartered Accountants	**Chartered Accountants**
(Firm Registration no. : 101720W)	**(Firm Registration No. : 108310W)**
Amit Chaturvedi	**S. V. Chheda**
Partner	Partner
Membership No.: 103141	Membership No. : 103938
Mumbai	Mumbai
Date: 27th May 2017	Date: 27th May 2017

Consolidated Balance Sheet as at 31st March 2017

(All amounts in ` Lakhs, unless otherwise stated)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I. ASSETS				
1 NON-CURRENT ASSETS				
Non-Current Assets				
(a) Property Plant & Equipment	2(a)	21,452.54	25,820.22	27,205.85
(b) Capital work in progress	2(a)	2,484.81	2,151.55	793.16
(c) Goodwill	2(b)	22.53	22.53	22.53
(d) Other Intangible assets	2(b)	1,608.41	1,219.68	1,711.28
(e) Intangible assets under development	2(b)	-	571.32	-
(f) Investments accounted for using equity method	3	7,047.85	6,898.41	6,931.99
(g) Financial Assets				
(i) Investments	4	988.27	982.08	972.56
(iii) Others	5	283.21	265.77	539.81
(h) Deferred Tax Asset (Net)	6	3,336.96	501.08	424.20
(i) Other Non-Current Assets	7	1,466.37	1,423.13	1,599.32
Non Current Assets		38,690.93	39,855.77	40,200.70
2 CURRENT ASSETS				
(a) Inventories	8	14,022.11	20,603.94	20,576.64
(b) Financial Assets				
(i) Trade receivables	9	63,717.32	61,156.82	54,365.18
(ii) Cash & Cash equivalents	10	2,407.57	297.62	2,459.72
(iii) Other bank balances	10	1,261.80	772.68	86.05
(iv) Loans	11	959.90	857.74	2,087.61
(v) Others	12	338.34	423.58	668.00
(c) Tax assets (Net)		1,789.60	1,614.26	1,185.30
(d) Other Current Assets	13	35,010.70	32,975.12	31,310.27
Current Assets		119,507.34	118,701.76	112,738.77
Total - ASSETS		158,198.27	158,557.53	152,939.47
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	14	1,355.52	1,351.52	1,351.52
(b) Other Equity	15	25,685.35	30,596.57	35,064.75
Sub-Total Equity		27,040.87	31,948.09	36,416.27
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	10,205.93	16,598.59	17,933.57
(b) Deferred Tax Liability (net)	17	-	53.84	2,321.86
(c) Provisions	18	94.62	79.34	98.91
Non Current Liabilities		10,300.55	16,731.77	20,354.34
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	87,517.79	66,004.35	60,801.49
(ii) Trade Payables	20	17,809.66	24,180.92	17,463.43
(iii) Other Financial liabilities	21	4,808.85	7,152.23	5,666.41
(b) Other Current Liabilities	22	10,286.03	12,021.60	11,607.03
(c) Provisions	23	434.52	518.57	630.50
Current Liabilities		120,856.85	109,877.67	96,168.86
Total - EQUITY AND LIABILITIES		158,198.27	158,557.53	152,939.47
Significant accounting policies and notes on financial statements	1 to 56			

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

(All amounts in ` Lakhs, unless otherwise stated)

	Note	Year ended 31st March, 2017	Year ended 31st March 2016
INCOME			
Revenue from operations	24	**86,737.84**	83,852.38
Other Income	25	**882.34**	70.14
Total Revenue		**87,620.18**	83,922.52
EXPENDITURE			
Cost of materials and components consumed and bought outs	26	**35,492.84**	44,794.32
Purchases of Stock in Trade		**25,004.08**	16,958.67
Changes in inventories of finished goods and work-in-progress	27	**3,883.37**	50.34
Excise Duty		**2,603.09**	3,173.87
Employee benefit expense	28	**4,541.74**	4,012.75
Other expenses	29	**7,763.33**	8,616.70
Finance costs (net)	30	**13,296.56**	10,699.76
Depreciation and amortisation	2	**1,806.82**	1,963.69
Total Expenses		**94,391.83**	90,270.10
Loss Before Exceptional Items and Tax		**(6,771.65)**	(6,347.58)
Exceptional items	31	**3,919.58**	-
Loss Before Share of Profit / (Loss) of Joint Ventures and Tax		**(10,691.23)**	(6,347.58)
Share of Profit /(Loss) from joint venture		**1,239.38**	(350.11)
Loss Before Tax		**(9,451.85)**	(6,697.69)
Tax Expense			
Current Tax		**0.12**	-
Deferred Tax		**(2,887.47)**	(2,266.61)
Profit / (Loss) for the year		**(6,564.50)**	(4,431.08)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
a) Remeasurement of post employment benefit obligations		**6.50**	4.06
b) Income Tax on above		2.25	1.41
Total other comprehensive income		**4.25**	2.65
Total Comprehensive Income (TCI)		**(6,568.75)**	(4,433.73)
Net Profit attributable to:			
a) Owners of the Company		**(6,564.50)**	(4,431.08)
b) Non Controlling Interest		**-**	-
Other Comprehensive Income attributable to:			
a) Owners of the Company		**4.25**	2.65
b) Non Controlling Interest		**-**	-
Total Comprehensive Income			
a) Owners of the Company		**(6,568.75)**	(4,433.73)
b) Non Controlling Interest		**-**	**-**
Basic earnings per share in ` on share of face value ` 2 fully paid up	32	**(9.71)**	(6.56)
Diluted earnings per share in ` on share of face value ` 2 fully paid up		**(9.71)**	(6.56)
Significant accounting policies and notes on financial statements	1 to 56		

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ` Lakhs, unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2017

(a) Equity share capital

	No. of Shares	Amount
Balance at the 1 April 2015	67,575,885	1,352
Changes in equity share capital	-	-
Balance as at 31 March 2016	67,575,885	1,352
Changes in equity share capital	199,998	4
Balance as at 31 March 2017	67,775,883	1,356

(b) Other Equity

Particulars	Reserves and Surplus							Statement of other comprehensive Income	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Stock options outstanding	General Reserve	Foreign Currency Translation Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance at the 1 April 2015	1,988.94	4.50	28,612.76	20.11	5,012.42	(2,960.25)	2,386.25	-	35,064.74
Total Comprehensive									
Profit/ (Loss) for the year	-	-	-	-	-	-	(4,431.08)	-	(4,431.08)
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.65)	(2.65)
Dividend Payment	-	-	-	-	-	-	(81.34)		(81.34)
Employee stock option expense	-	-	-	61.17	-	-	-	-	61.17
Additions during the period	-	-	-	-	-	(14.27)	-	-	(14.27)
Balance as at 31 March 2016	**1,988.94**	**4.50**	**28,612.76**	**81.28**	**5,012.42**	**(2,974.52)**	**(2,126.17)**	**(2.65)**	**30,596.56**
Total Comprehensive									
Profit/ (Loss) for the year	-	-	-	-	-	-	(6,564.50)	-	(6,564.50)
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.25)	(4.25)
Dividend Payment	-	-	-	-	-	-	(828.27)	-	(828.27)
Issue of equity shares	-	-	41.48	-	-	-	-	-	41.48
Employee stock option expense	-	-	-	10.21	-	-	-	-	10.21
Additions during the period	-	-	-	-	-	2,434.11	-	-	2,434.11
Balance as at 31 March 2017	**1,988.94**	**4.50**	**28,654.24**	**91.49**	**5,012.42**	**(540.41)**	**(9,518.94)**	**(6.90)**	**25,685.35**

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of Board

For P. RAJ & CO.	For CHATURVEDI & SHAH	Sd/-	Sd/-
Chartered Accountants	**Chartered Accountants**	**R. S. Jain**	**S. S. Jain**
Firm Registration No. 108310W	Firm Registration No. 101720W	Chairman	Vice Chairman
		DIN:00005829	DIN:00006180
Sd/-	Sd/-	Sd/-	Sd/-
S. V. Chheda	**Amit Chaturvedi**	**Amit Sudhakar**	**Ganesh Tawari**
Partner	**Partner**	Chief Financial Officer	Company Secretary
Membership No. 103938	Membership No. 103141	ICAI.M.No.90429	ICSI. M.No. A12896
Mumbai, 27th May, 2017	Mumbai, 27th May, 2017		

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(All amounts in ` Lakhs, unless otherwise stated)

		Year ended 31st March, 2017	Year ended 31st March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	(9,451.85)	(6,697.69)
	Adjustments for		
	Depreciation and amortisation	1,810.82	1,968.99
	Unrealised foreign exchange Loss /(Gain)	2,987.71	227.83
	Share of Associates and joint venture	(1,239.38)	350.11
	Interest expenses	13,484.29	11,122.60
	Interest Income	(187.73)	(422.83)
	Sundry balance written-off / (back) (net)	621.68	31.97
	Provision for doubtful debts	225.00	300.00
	Provision for Warranty	9.26	68.39
	Employee stock compensation expense	23.69	61.17
	Actuarial (Gain)/loss on post employment benefit obligations	(4.25)	(2.65)
	Exceptional item	3,919.58	-
	Fair valuation of Investments	(6.27)	(9.48)
	(Gain)/Loss on sale of fixed assets (net)	140.37	(12.69)
	Operating Profit before Working Capital Changes	12,332.92	6,985.72
	Adjustments for		
	Trade and other payables	(8,897.45)	8,020.33
	Trade and other receivables	(8,844.64)	(7,957.66)
	Inventory	6,581.83	(27.30)
	Cash generated from Operations	1,172.66	7,021.09
	Direct taxes paid	(177.71)	(507.25)
	Net Cash Inflow / (Outflow) from Operating Activities	994.95	6,513.84
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Acquisition of PPE	(1,127.98)	(2,898.24)
	Sale proceeds of Property Plant & Equipment's	3,426.35	36.07
	Movement in other bank balances	(489.12)	(686.63)
	Purchase of Investments	(8.26)	0.00
	Sale of Investments	6.07	-
	Dividend received from Joint Ventures	846.64	-
	Movement in advance to Joint Ventures	(204.42)	616.91
	Net Cash inflow / (outflow) from Investing Activities	2,449.28	(2,931.89)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from Issue of Share	32.00	-
	Proceeds of Long term borrowings	(1,701.24)	2,940.98
	Repayment of Long term borrowings	(7,104.35)	(2,771.65)
	Increase/(decrease) in short term borrowings	21,429.79	5,250.19
	Interest expense	(13,214.13)	(11,080.84)
	Dividend paid during the year including dividend tax	(776.35)	(82.71)
	Net Cash inflow / (outflow) from Financing Activities	(1,334.28)	(5,744.04)
	Net increase in Cash and Cash Equivalents	2,109.95	(2,162.09)
	Cash and Cash Equivalents at the beginning of the year	297.62	2,459.72
	Cash and Cash Equivalents at the end of the year	2,407.57	297.62
	Reconciliation of the Cash & Bank		
	Cash and cash equivalents (As per Note 10)	3,669.37	1,070.30
	Less- Margin Money Deposit against BG	1,255.44	763.55
	Less- Unclaimed Dividend Account	6.36	9.13
	Cash and Cash Equivalents at the end of the year	2,407.57	297.62

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Notes to the Consolidated Financial Statements for the year ended 31 March 2017

1A. General information

EMCO Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at N-104, MIDC Area, Jalgaon 425003, Maharashtra.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is primarily engaged in the power industry and manufactures range of transformers. The Group's products include transformers, energy metering system, substation and transmission towers and lines which constitutes of generation, transmission, distribution and manufacture of power equipment viz Generation Equipment and T&D Equipment. The subsidiaries are in the business of Renewable Power, Power Generation and Electricity T&D, Power Infrastructure, Transmission Line, and such other auxiliary services. The Joint Ventures are in the business of Power Project, Coal Mining and other auxiliary mining services.

1B. Significant Accounting policies

(a) Basis of preparation

(i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The consolidated financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is 1 April, 2015. Refer note 43 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position and its net profit.

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

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

(b) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint ventures are entities over which the group has joint control along with another entity. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

Significant enterprises consolidated as Associates and Joint Ventures in accordance with Indian Accounting Standard 28 – Investments in Associates and Joint Ventures

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
Subsidiaries		
Emco Power Limited	India	100%
EMCO Renewable Enerygy Limited (Formerly known as EMCO Power Infrastructure Limited)	India	100%
EMCO Overseas Pte Limited	Singapore	100%
EMCO Infrastructure Limited	India	100%
EMCO Transmission Networks Limited (Formerly known as East West Power Generation Company Limited)	India	75.12%
PT Setenco Investa Niaga	Indonesia	98.80%
Shekhawati Transmission Service Company Limited (wef 01.02.2013)	India	100%
Joint Ventures Through Subsidiary		
Shyam EMCO Infrastructure Limited	India	50%
Kalinga Energy and Power Limited	India	50%
PT Bina Insan Sukses Mandiri	Indonesia	37.36%
Rabaan (S) Pte Ltd	Singapore	37.35%
PT Vardhaman Mining Services	Indonesia	37.35%
PT Vardhaman Logistics	Indonesia	22.50%

- Subsidiaries and Joint ventures have reporting accounting year ending 31 December. However, for the purpose of consolidation, the accounts for the year ended 31 March are prepared, the accounts for the reporting accounting year ended 31 December are audited and the three months period ended 31 March are reviewed by the respective auditors of Subsidiaries and Joint Ventures.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

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

i. Recognition and measurement

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

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

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

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

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

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

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

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

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

ii. **Subsequent expenditure**

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

iii. **Depreciation**

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

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

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

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

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

Leasehold land and improvements are amortised over the lease period.

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

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

(d) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cashgenerating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) Intangible assets

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

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

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

(f) Impairment losses

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Impairment testing of Goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on Higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

(h) Inventories

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

(i) Revenue recognition

Sale of goods

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

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

Long term contracts

Revenue from long term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

Dividend income

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

Interest income

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

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances

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

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

(k) Financial instruments

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

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

i. Financial assets

Classification

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

Initial recognition and measurement

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

Debt instruments

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

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

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

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

Equity investments

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

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

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

De-recognition

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

Impairment of financial assets

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

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

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

ii. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

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

(l) Export Obligations / Entitlements / Incentives

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

(m) Employee benefits

a) Short term employee benefits

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

b) Share-based payment transactions

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

c) Defined contribution plans

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

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

d) Defined benefit plans

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

(n) Operating lease

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

(o) Income Tax

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

i. Current tax

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

Current tax assets and liabilities are offset only if:

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

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

ii. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

(p) Borrowing cost

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

(q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, The Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

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

(r) Business combinations

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

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

  fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

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

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

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

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

(s) Research and development

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

(t) Cash and cash equivalents

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

(u) Earnings per share

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

(v) Dividends

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

(w) Current vs non-current classification

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

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

  All other assets are classified as non-current.

  A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

  The Group classifies all other liabilities as non-current.

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

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

(x) Key estimates and assumptions

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

Estimates and assumptions are required in particular for:

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

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

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

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

  Warranties:

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

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

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

  When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

(y) Rounding of amounts

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

(z) Segment reporting

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

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

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

1C. Standards issued or modified but not yet effective up to the date of issuance of the Group's financial statements:

The amendments to standards that are issued, but not yet effective up to the date of issuance of Company's financial statements are discussed below. The Group intends to adopt these standards, if applicable, when they become effective.

i. Amendments to Ind AS 7 Statement of Cash Flows (Effective from accounting period starting on or after April 1, 2017)

1. An entity shall provide certain additional disclosures for changes in liabilities arising from financing activities on account of non-cash transactions to enable users of financial statements evaluate changes in liabilities arising from financing activities.

2. To the extent necessary to satisfy the requirement, an entity shall disclose the following changes in liabilities arising from financing activities:

- Changes from financing cash flows;
- Changes arising from obtaining or losing control of subsidiaries or other businesses;
- The effect of changes in foreign exchange rates;
- Changes in fair values; and
- Other changes

ii. Amendments to Ind AS 102 Share-based payments Ind AS 102 has been amended to include clarity on the following areas :

- Measurement of cash-settled share-based payments;
- Classification of share-based payments settled net of tax withholdings; and
- Accounting for a modification of a share-based payment from cash-settled to equity settled. The above changes do not impact the Group as the Share based payments made by the Group are neither cash-settled share-based payment nor do they have any "net settlement feature".

Notes to Consolidated Financial Statements for the year ended 31 March 2017

(All amounts in ` Lakhs, unless otherwise stated)

2(a) Property Plant and Equipment - As at March 31, 2017

Property plant and equipment	Gross block (at cost)				Depreciation				Net block	
	As at 1st April 2016	Additions/ Adjustments	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
(A) TANGIBLE ASSETS										
Freehold land	4,413.87	-	102.00	4,311.87	-	-	-	-	4,311.87	4,413.87
Lease Hold Land - Leased	21.60	-	11.33	10.28	0.81	0.40	1.21	-	10.28	20.80
Buildings - Owned *	5,401.80	101.80	-	5,503.59	202.44	204.84	-	407.28	5,096.31	5,199.35
Plant & Equipment	12,867.08	382.14	76.80	13,172.42	808.07	868.93	9.05	1,667.95	11,504.47	12,059.01
Furniture & Fixtures	337.14	0.87	-	338.01	91.59	89.21	-	180.80	157.20	245.55
Vehicles	238.06	55.17	21.61	271.62	59.53	42.56	10.73	91.36	180.26	178.53
Office Equipments	69.01	4.50	-	73.50	25.29	10.41	1.11	34.59	38.91	43.72
Air craft **	178.98	-	-	178.98	12.88	12.88	-	25.75	153.22	166.10
Wind Energy Generators	3,726.33	-	3,726.33	-	233.05	116.20	349.25	-	-	3,493.28
Depreciation transferred to Capital Work in Progress	-	-	-	-	-	(4.00)	-	-	-	
Total (A)	**27,253.87**	**544.47**	**3,938.08**	**23,860.26**	**1,433.65**	**1,341.44**	**371.36**	**2,407.73**	**21,452.54**	**25,820.22**
Capital work in progress (B)	2,151.55	-	-	2,484.81	-	-	-	-	2,484.81	-
TOTAL (A+B)	**29,405.42**	**544.47**	**3,938.08**	**26,345.07**	**1,433.65**	**1,341.44**	**371.36**	**2,407.73**	**23,937.35**	**25,820.22**

Property plant and equipment	Gross block (at cost)				Depreciation				Net block	
	As at 1st April 2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2016	As at 1st April 2015	For the Year	Deductions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
(A) TANGIBLE ASSETS										
Freehold land	4,413.87	-	-	4,413.87	-	-	-	-	4,413.87	4,413.87
Lease Hold Land - Leased	21.60	-	-	21.60	-	0.81	-	0.81	20.80	21.60
Buildings - Owned *	5,383.99	17.81	-	5,401.80	-	202.44	-	202.44	5,199.35	5,383.99
Plant & Equipment	12,859.45	1,035.51	1,027.89	12,867.08	-	841.72	33.66	808.07	12,059.01	12,859.45
Furniture & Fixtures	333.72	3.42	-	337.14	-	91.59	-	91.59	245.55	333.72
Vehicles	231.85	32.52	26.31	238.06	-	68.97	9.43	59.53	178.53	231.85
Office Equipments	56.06	13.06	0.11	69.01	-	25.31	0.02	25.29	43.72	56.06
Air craft **	178.98	-	-	178.98	-	12.88	-	12.88	166.10	178.98
Wind Energy Generators	3,726.33	-	-	3,726.33	-	233.05	-	233.05	3,493.28	3,726.33
Depreciation transferred to Capital Work in Progress	-	-	-	-	-	(5.30)	-	-	-	-
Total (A)	**27,205.85**	**1,102.33**	**1,054.31**	**27,253.87**	**-**	**1,471.46**	**43.11**	**1,433.65**	**25,820.22**	**27,205.85**
Capital work in progress (B)	793.16	1,359.93	1.54	2,151.55	-	-	-	-	2,151.55	793.16
TOTAL (A+B)	**27,999.01**	**2,462.26**	**1,055.84**	**29,405.42**	**-**	**1,471.46**	**43.11**	**1,433.65**	**27,971.77**	**27,999.01**

Deemed Cost as on 1 April 2015

Property plant and equipment	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Freehold land	4,413.87	-	4,413.87
Lease Hold Land - Leased	27.28	5.67	21.60
Buildings - Owned *	7,985.44	2,601.46	5,383.99
Plant & Equipment	21,851.16	8,991.71	12,859.45
Furniture & Fixtures	1,019.59	685.87	333.72
Vehicles	540.98	309.13	231.85
Office Equipments	429.80	373.74	56.06
Air craft **	291.43	112.45	178.98
Wind Energy Generators	5,928.13	2,201.80	3,726.33
Leasehold Improvements	146.91	146.90	0.00
Capital work in progress	793.16	-	793.16
Total	**43,427.75**	**15,428.73**	**27,999.01**

1. * This includes Residential flats with net block amounting to ` 234.59 Lakhs (` 239.34 Lakhs as on 31-Mar-2016 ` 244.08 Lakhs as on 1-Apr-2015) against which Sixty shares of ` 50 each in Tripura Lok Dhara Co-operative Housing Society Limited, Twenty shares of ` 50 each in Nandi Lok Dhara Co-operative Housing Society Limited, Thirty shares of ` 50 each in Saket Towers Co-operative Housing Society Limited, Thirty Five shares of ` 50 each in Saket Co-operative Housing Society Limited and Ten shares of `50 each in Aspen Ascot Co-operative Housing Society Limited.
2. ** Air Craft represents Group's 15% share in assets jointly owned by Group.
3. Additions includes additions / deductions on account of exchange differences `189.58 (` 136.14 lakhs) on Long Term borrowings pertaining to acquisition of fixed assets
4. For details of assets given as security against borrowings, Refer Note 16 & Note 19.

(All amounts in ` Lakhs, unless otherwise stated)

2(b) Intangible Assets - As at March 31, 2017

Intangible Assets	Gross block (at cost)				Amortisation				Net block	
	As at 1st April 2016	Additions/ Adjustments	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions/	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Intangible assets										
Computer Software	56.74	31.86	-	88.61	27.18	13.75	-	40.94	47.67	29.56
Technical Know-how and Licenses	312.91	822.25	-	1,135.16	163.37	451.64	-	615.01	520.15	149.54
New product design and development	1,342.27	-	-	1,342.27	301.67	-	-	301.67	1,040.59	1,040.59
Goodwill on Consolidation	22.53	-	-	22.53	-	-	-	-	22.53	22.53
Total (A)	**1,734.45**	**854.11**	-	**2,588.56**	**492.23**	**465.39**	**-**	**957.62**	**1,630.94**	**1,242.21**
Intangible assets under development (B)	571.32	-	571.32	-	-	-	-	-	-	571.32
TOTAL (A+B)	**2,305.76**	**854.11**	**571.32**	**2,588.56**	**492.23**	**465.39**	**-**	**957.62**	**1,630.94**	**1,813.53**

Intangible Assets	Gross block (at cost)				Amortisation				Net block	
	As at 1st April 2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2016	As at 1st April 2015	For the Year	Deductions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
Intangible assets										
Computer Software	56.11	0.63	-	56.74	-	27.18	-	27.18	29.56	56.11
Technical Know-how and Licenses	312.91	-	-	312.91	-	163.37	-	163.37	149.54	312.91
New product design and development	1,342.27	-	-	1,342.27	-	301.67	-	301.67	1,040.59	1,342.27
Goodwill on Consolidation	22.53	-	-	22.53	-		-	-	22.53	22.53
Total (A)	**1,733.81**	**0.63**	**-**	**1,734.45**	**-**	**492.23**	**-**	**492.23**	**1,242.21**	**1,733.81**
Intangible assets under development (B)	-	571.32	-	571.32	-		-	-	571.32	-
TOTAL (A+B)	**1,733.81**	**571.95**	**-**	**2,305.76**	**-**	**492.23**	**-**	**492.23**	**1,813.53**	**1,733.81**

Deemed Cost as on 1 April 2015

Intangible Assets	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Computer Software	944.13	888.02	56.11
Technical Know-how and Licenses	916.03	603.12	312.91
New product design and development	1,508.37	166.10	1,342.27
Goodwill on Acquisition	29.33	29.33	-
Goodwill on Consolidation	22.53	-	22.53
Total	**3,420.39**	**1,686.57**	**1,733.81**

(All amounts in ` Lakhs, unless otherwise stated)

					As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3	**Investments accounted using equity method**						
	Number	Currency	Face Value	**Investment in Equity Instrument (Unquoted)**			
			per unit				
	70,000 (31-Mar-16 - 70,000, 1-Apr-2015 - 70,000)	`	10	Shyam Emco Infrastructure Limited	**5.38**	5.45	5.52
	1,25,000 (31-Mar-16 - 1,25,000, 1-Apr-2015 - 1,25,000)	`	10	Kalinga Energy & Power Limited	**-**	-	-
	105,000 (31-Mar-16 - 105,000, 1-Apr-2015 - 105,000)	IDR	9,229	PT Vardhman Logistics	**81.02**	83.18	58.94
	9,337 (31-Mar-16 - 9,337, 1-Apr-2015 - 9,337)	SGD	1	Rabaan (S) Pte. Ltd.	**0.09**	-	-
	2,242 (31-Mar-16 - 2,242, 1-Apr-2015 - 2,242)	IDR	1,000,000	PT Bina Insan Sukses Mandiri	**6,961.36**	6,809.78	6,867.53
	373,500 (31-Mar-16 - 373,500, 1-Apr-2015 - 373,500)	IDR	9,217	PT Vardhman Mining Services	**-**	-	-
					7,047.85	6,898.41	6,931.99
4	**Investments Carried At Fair Value Through Profit & Loss**						
	Number		Face Value				
			per unit	**(i) Investment in Equity Instrument (Quoted)**			
	3,600 (31-Mar-16 - 3,600, 1-Apr-2015 - 3,600)	`	10	Morarka Finance Limited	**0.83**	0.34	0.29
				(ii) Investment in Equity Instrument (Un-Quoted)			
	1,667 (31-Mar-16 - 1,667, 1-Apr-2015 - 1667)	`	10	Cozy Properties Private Limited	**139.70**	134.16	124.49
	20 (31-Mar-16 - 20, 1-Apr-2015 - 20)	IDR	500,000	PT Sanmati Natural Resources	**0.72**	0.73	0.69
				(iii) Investment in Preference Shares (Un-Quoted)			
	8,466 (31-Mar-16 - 8,406, 1-Apr-2015 - 8,406)	`	10	Cozy Properties Private Limited	**846.60**	840.60	840.60
				(iv) Investment in Mutual Fund (Quoted)			
	NIL (31-Mar-16 - 50,000, 1-Apr-2015 - 50,000)	`	10	Union KBC Capital Protection Oriented Fund	**-**	5.86	6.19
				(v) Other Investment (Un-Quoted)			
	4 (31-Mar-16 - 4, 1-Apr-2015 - 4)	`		Investment in National Saving Certificate	**0.42**	0.39	0.30
					988.27	982.08	972.56
				Aggregate Amount of Quoted Investment	**0.83**	6.20	6.48
				Aggregate Market Value of Quoted Investment	**0.83**	6.20	6.48
				Aggregate Amount of Un-Quoted Investment	**987.44**	975.88	966.08

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
5	**Other non-current Financial assets**			
	- Unsecured considered good			
	Security Deposits	**119.46**	120.59	52.54
	Rent Deposit			
	- To Related Party (Refer Note 44)	**100.00**	100.00	100.00
	- To Others	**63.11**	30.39	115.13
	Others	**0.64**	14.79	272.14
		283.21	265.77	539.81
6	**Deferred Tax Asset (Net)**			
	Mat Credit Entitlement	**501.09**	501.08	424.20
	Deferred Tax-Asset (net) (Refer note 34)	**2,835.87**	-	-
		3,336.96	501.08	424.20
7	**Other Non current assets**			
	- Unsecured considered good			
	Business Advance to Related Parties (Refer Note 44)	**1,332.71**	1,332.71	1,332.71
	Capital Advances	**62.38**	64.93	63.21
	Prepaid Expenses	**71.28**	25.49	203.40
		1,466.37	**1,423.13**	**1,599.32**
8	**Inventories**			
	Raw Materials & Components	**9,365.47**	10,537.46	10,135.36
	Work-in-progress	**3,681.75**	7,273.02	7,286.85
	Finished Goods	**-**	292.10	328.61
	Stock in Transit	**-**	-	378.52
	Store, Spares and Packing Material	**974.89**	2,501.36	2,447.30
		14,022.11	20,603.94	20,576.64
	For details of inventory given as security against borrowings, Refer Note 16 & Note 19.			
9	**Trade receivables**			
	Unsecured, Considered Good	**63,717.32**	61,156.82	54,365.18
	Unsecured, Considered doubtful	**5,512.31**	5,360.25	5,212.75
	Provisions for Doubtful Debts	**(5,512.31)**	(5,360.25)	(5,212.75)
		63,717.32	61,156.82	54,365.18

Note:

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

b) Trade receivables include ` 21,285.72 lakhs outstanding as at 31 March 2017 in respect of the supplies or projects which have been closed or substantially completed. These receivables are due to retentions and claims arising mainly in respect of cost over-run due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Group is at various stages of negotiation/discussion with the clients. Considering the contractual tenability, progress of negotiation/discussion with the client, the management is confident of recovery of these receivables.

(All amounts in ` Lakhs, unless otherwise stated)

			As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
10	**Cash and cash equivalents**				
	Cash and Cash Equivalents				
	a)	Balance with Banks			
		In Current Account	**2,405.29**	215.67	2,434.95
	b)	Cheques, Drafts on hand	**-**	74.42	10.11
	c)	Cash on hand	**2.28**	7.53	14.66
			2,407.57	297.62	2,459.72
	Bank Balance other than cash and cash equivalents				
	a)	Margin Money Deposit (Given as security for Bank Guarantee / Letter of Credit)	**1,255.44**	763.55	75.54
	b)	Unclaimed Dividend Account	**6.36**	9.13	10.51
			1,261.80	772.68	86.05
			3,669.37	1,070.30	2,545.77
11	**CURRENT FINANCIAL LOANS AND ADVANCES**				
	- Unsecured considered good				
	a)	Loans and Advances to Related Parties (Refer Note 44)	**84.86**	119.98	989.49
	b)	Inter Corporate Deposits	**875.04**	737.76	1,098.12
			959.90	857.74	2,087.61
12	**CURRENT FINANCIAL OTHER ASSETS**				
	- Unsecured considered good				
	a)	Earnest Money Deposit	**21.44**	42.77	56.17
	b)	Current Security & Rent Deposits	**124.78**	328.09	390.87
	c)	Derivative Assets	**192.12**	52.72	220.96
			338.34	423.58	668.00
13	**OTHER CURRENT ASSETS**				
	a)	Advance to Suppliers	**11,409.89**	8,400.39	7,512.67
	b)	Indirect Tax Receivable	**5,265.27**	5,701.40	4,414.14
	c)	Prepaid Expenses	**567.30**	1,769.39	2,443.39
	d)	Contract Revenue in Excess of Billing	**12,056.02**	10,837.35	11,621.25
	e)	Other amounts recoverable in cash or kind for value to be received.*	**5,712.22**	6,266.59	5,318.82
			35,010.70	32,975.12	31,310.27

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

(All amounts in ` Lakhs, unless otherwise stated)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
14	**Share Capital**			
a	**Authorised :**			
	Equity Shares of Rs. 2 each	**1,500.00**	1,500.00	1,500.00
	7,50,00,000 (Previous year 7,50,00,000) Equity shares			
	Cumulative Redeemable Preference Shares of Rs. 100 each			
	5,00,000 (Previous year 5,00,000) Preference shares	**500.00**	500.00	500.00
	TOTAL	**2,000.00**	2,000.00	2,000.00
b	**Issued and Subscribed and Paid up:**			
	6,77,75,883 (Previous year 6,75,75,885) Equity shares of ` 2 eachfully paid up	**1,355.52**	1,351.52	1,351.52
	TOTAL	**1,355.52**	1,351.52	1,351.52
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**			
	Equity share :		**March 31, 2017**	March 31, 2016
	Outstanding at the beginning of the year	Number	**67,575,885**	67,575,885
		Amount	**1,351.52**	1,351.52
	Equity Shares issued during the year pursuant to exercise of ESOPs	Number	**199,998**	-
		Amount	**4.00**	-
	Outstanding at the end of the year	Number	**67,775,883**	67,575,885
		Amount	**1,355.52**	1,351.52

d Terms / Rights attached to each classes of shares

1. Terms / Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2017, the amount of dividend per equity share recognised as distributions to equity shareholders is Nil (previous year 81.33 lakhs).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity share	As at March 31, 2017		As at 31 March 2016		As at April 1, 2015	
	No. of Shares	**No of shares**	No. of Shares	No of shares	No. of Shares	No of shares
		%		%		%
Rajesh Jain	**9,599,345**	**14.16**	9,599,345	14.21	9,599,345	14.21
Shailesh Jain	**6,299,340**	**9.29**	6,299,340	9.32	6,299,340	9.32
Emco Investments Private Limited	**8,355,858**	**12.33**	8,355,858	12.37	8,355,858	12.37
Ratna Jain	**4,354,255**	**6.42**	4,354,255	6.44	4,354,255	6.44

(All amounts in ` Lakhs, unless otherwise stated)

g Shares reserved for issuance after considering expired options under Stock Option Plans of the Group

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No of shares	No of shares	No of shares
Paticulars			
ESOP 2006 Option XII	5,320	10,680	16,000
ESOP 2011 Option I	26,800	53,400	160,000
ESOP 2011 Option II	38,400	76,700	115,000
ESOP 2011 Option III	-	50,000	75,000
ESOP 2011 Option IV	333,335	700,000	900,006
ESOP 2011 Option V	100,000	100,000	100,000
ESOP 2011 Option VI	500,000	700,000	-
ESOP 2011 Option VII	50,000	100,000	-
ESOP 2015 Option I	16,615	-	-
ESOP 2015 Option II	7,500	-	-

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Aggregate No of shares	Aggregate No of shares	Aggregate No of shares
Equity Shares:			
Issued under various Stock Option Plans of the Group	199,998	-	-

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
15	**Other equity**			
	Capital Reserve			
	Balance as at the beginning and at the end of the year	1,988.94	1,988.94	1,988.94
	Capital Redemption Reserve			
	Balance as at the beginning and at the end of the year	4.50	4.50	4.50
	Securities Premium Account			
	Balance as at the beginning of the year	28,612.76	28,612.76	28,612.76
	Add: Received during the year	41.48	-	-
	Balance as at the end of the year	28,654.24	28,612.76	28,612.76
	Stock options outstanding			
	Employee stock options outstanding at the beginning of the year	81.28	20.11	20.11
	Add : Deferred employee compensation outstanding	10.21	61.17	
	Balance as at the end of the year	91.49	81.28	20.11
	General Reserve			
	Balance as at the beginning and at the end of the year	5,012.43	5,012.43	5,012.43
	Foreign Currency Translation Reserve			
	Balance as at the beginning of the year	(2,974.52)	(2,960.25)	(2,960.25)
	Addition / (Deduction) during the year	2,434.11	(14.27)	
	Balance as at the end of the year	(540.41)	(2,974.52)	(2,960.25)

(All amounts in ` Lakhs, unless otherwise stated)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Other comprehensive income			
	Balance as at the beginning of the year	**(2.65)**	-	-
	Remeasurement of post employment benefit obligations	**(6.50)**	(4.06)	-
	Deferred tax on above	**2.25**	1.41	-
	Balance at the end of the year	**(6.90)**	(2.65)	-
	Surplus			
	Balance as at the beginning of the year	**(2,126.17)**	2,386.25	2,386.25
	Add : Profit / (Loss) for the year	**(6,564.50)**	(4,431.08)	-
	Less: Appropriations			
	Dividend	**828.27**	67.58	-
	Tax on Dividend	**-**	**13.76**	**-**
	Balance as at the end of the year	**(9,518.94)**	**(2,126.17)**	**2,386.25**
		25,685.35	**30,596.57**	**35,064.75**

Nature & Purpose of Reserves :

Capital reserve

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

Capital redemption reserve

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

Securities premium reserve

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

Foreign currency translation reserve

Foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the balance sheet date, which differs from the rate in effect at the last measurement date.

Stock options outstanding

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

General reserve

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

(All amounts in ` Lakhs, unless otherwise stated)

Retained earnings

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

			Non Current Portions			Current Maturities		
		Rate of Interest	As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015	As at 31st March, 2017	As at 31st March, 2016	As At 1 April 2015
16	**LONG TERM BORROWINGS**							
	SECURED LOANS							
a)	Vehicle Loans	**9.36% - 10.50%**	**26.50**	21.69	26.23	**27.21**	26.61	20.47
b)	Term Loans from Banks							
	i) Rupee Loan	**BR+3.25% to BR+4.24%**	**5,181.67**	7,142.50	10,463.45	**2,697.63**	4,053.15	2,169.54
		12%	**1,000.00**	800.00	-	**-**	1,000.00	700.00
	ii) Foreign currency Loan	**LIBOR+4.5 to LIBOR+5.5**	**3,997.76**	8,634.40	7,443.89	**1,841.15**	1,869.17	2,418.47
			10,205.93	16,598.59	17,933.57	**4,565.99**	6,948.93	5,308.48
	Amount disclosed under 'Other Current Liabilities' (Refer Note 21)					**(4,565.99)**	(6,948.93)	(5,308.48)
			10,205.93	**16,598.59**	**17,933.57**	**-**	-	-

Nature of Security and Repayment Terms

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

b) i) Term loan from banks referred in (b) (i) above Includes ` 311.37 Lacs (` 2,393.42 Lacs as on 31-Mar-16, ` 2578.59 Lacs as on 1-Apr-15) loan which is secured by exclusive first charge by way of mortgage on the specific land on which the windmills are installed in Maharashtra and exclusive first charge by way of hypothecation on current assets and movable fixed assets (plant, machinery equipments) pertaining to windmills.

ii) During the year, Parent company has sold its windmill business to various parties on slump sale basis for aggregate consideration of ` 4554 Lakhs. Outstanding loan has been repaid and satisfaction of charge has been filed with ROC after balance sheet date.

c) Term loan from banks referred in (b) (i) above includes ` 8,567.93 Lacs ( ` 9,753.71 Lacs as on 31-Mar-16, ` 8850.00 Lacs as on 1-Apr-17) loan which is secured by first charge basis (pari passu) by way of registered mortgage on Parent company's immovable and movable property situated at MIDC-Thane, MIDC- Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm and second charge (pari passu) by way of hypothecation on the Parent company's movable assets including current assets except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm. Further out of this working capital term loan ` 5703.20 Lacs ( ` 6,574.58 Lacs as on 31-Mar-16, ` 7350.00 Lacs as on 1-Apr-15) is secured by personal guarantee of promoter directors.

d) Term loan from banks referred above in (b) (i) includes 0 Lacs (` 848.52 Lacs as on 31-Mar-16, ` 1904.40 Lacs as on 1-Apr-17) loan which is secured by bank guarantee.

e) Term loan from banks referred in (b) (ii) above : is secured through

1. Term Loan amounting to ` 2132.00 Lacs ( ` 2712.53 Lacs as on 31-Mar-16, ` 2946.08 Lacs as on 1-Apr-17) is secured on first charge basis by way of exclusive mortgage on Solar Project's land and all other immovable properties, present and future and also by way of hypothecation on solar project's all movable, present and future, all book debts, operating cash flows, receivables, commissions, revenues of what so ever nature and where ever arising out of Solar Project.

2. Term Loan amounting to ` 3706.90 Lacs ( ` 7791.03 Lacs as on 31-Mar-16, ` 6916.28 Lacs as on 1-Apr-17) is secured through Pledge of shares of Pt. Setenco Investa Niaga who is holding 37.35% of stake in Pt. BISM, Coal mining company in Indonesia. And first charge on all the assets of the company including hypothecation of book debt and stock.

f)

Delay In Repayment of Term Loan as on 31-Mar-17		**Amount Due (` In lakhs)**
Bank 1	1 to 121	72.21
Bank 2	1 to 91	1,181.21
Bank 3	1 to 91	275.72
Bank 4	13	4.23

g)

Delay In Repayment of Term Loan as on 31-Mar-16		**Amount Due (` In lakhs)**
Bank 1	39 to 59	200.00

h) Maturity Profile of Long Term Borrowings

	1 - 2 Years	**2-3 years**	**3-4 years**	**Beyond 4 years**
Long Term Borrowings	5,610.65	3,270.49	1,240.79	84.00

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
17	**Deferred Tax Liability (Net)***			
	Deferred Tax Liability	-	3,439.29	2,321.86
	Deferred Tax Assets	-	(3,385.45)	-
		-	53.84	2,321.86
	* Refer note 34 for details			
18	**LONG TERM PROVISIONS**			
	Provision for employee benefits			
	Provision for leave benefits (Refer Note 35)	94.62	79.34	98.91
		94.62	79.34	98.91
19	**SHORT TERM BORROWINGS**			
	Loan repayable on demand			
	From Banks			
	Secured			
	a) Working Capital Demand Loan	**3,101.33**	500.00	500.00
	b) Cash Credit / Packing Credit	**70,089.48**	40,037.26	40,913.76
	c) Acceptance	**12,953.85**	24,064.24	18,074.94
	Unsecured			
	a) Short Term Borrowings from Others	**1,373.13**	1,402.85	1,312.79
		87,517.79	66,004.35	60,801.49

Nature of Security and Repayment Terms

i) Working Capital Loans from banks referred in (a) (b) and (c) above and bank facilities mentioned in Note 47 I (a) and (b) are secured on first charge basis (pari passu) by way of hypothecation on current assets of the Parent company such as raw Materials, stocks-in-process, finished goods, consumable stores and spares, book debts, outstanding and claims, receivable both present and future except book debts and receivables pertaining to wind mill and solar farm which are exclusively financed by other lenders. Further the said working capital facilities are secured on second charge) by way of registered mortgage on Company's immovable and movable property situated at MIDC-Thane, MIDC-Jalgaon, Umala- Jalgoan, Vadodara (Gujarat) and Silvassa except assets exclusively financed by other lenders i.e. Wind Mill and Solar farm.

ii) Working capital referred in (b) above is in excess of saction limit by ` 32,080 Lacs as at year end.

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

			As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
20	**TRADE PAYABLES**				
	- Dues to micro and small enterprises		**340.51**	209.88	341.32
	- Others		**17,469.15**	23,971.04	17,122.11
			17,809.66	24,180.92	17,463.43
	Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.				
	1	The principal amount remaining unpaid to supplier as at the end of accounting year	**340.51**	209.88	341.32
	2	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	**41.63**	19.07	14.01
	3	The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year.	**NIL**	NIL	NIL
	4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	**NIL**	6	NIL
	5	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	**41.63**	24.94	14.01
	6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	**NIL**	NIL	NIL

(All amounts in ` Lakhs, unless otherwise stated)

		As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
21	**OTHER CURRENT FINANCIAL LIABILITIES**			
	Current Maturities of Long Term Borrowings (Refer Note No.16)	**4,565.99**	6,948.93	5,308.48
	Interest accrued but not due	**212.32**	108.45	129.19
	Interest accrued and due	**-**	14.39	104.12
	Unclaimed Dividends	**6.36**	9.13	10.51
	Security Deposits	**8.41**	5.75	5.75
	Derivative liability	**15.77**	65.58	108.36
		4,808.85	7,152.23	5,666.41
22	**OTHER CURRENT LIABILITIES**			
	Statutory Liabilities	**326.50**	362.75	533.64
	Advance received against order from customers	**6,599.36**	7,212.57	5,088.75
	Billing in Excess of Contract Revenue	**-**	53.58	176.16
	Other Current Liabilities	**3,360.17**	4,392.70	5,808.48
		10,286.03	12,021.60	11,607.03
23	**Provisions**			
	a) Provision for gratuity (Refer Note 35)	**134.03**	75.51	32.34
	b) Provision for leave benefits (Refer Note 35)	**27.17**	47.96	29.53
	c) Provision for tax on dividend	**54.69**	-	-
	d) Provision for warranties	**218.63**	395.10	568.63
		434.52	518.57	630.50

		Year ended 31st March, 2017	Year ended 31st March 2016
24	**REVENUE FROM OPERATIONS**		
	Sale of products	**85,027.47**	82,006.27
	Sale of services	**231.09**	253.70
	Other operating revenue	**1,479.28**	1,592.41
		86,737.84	83,852.38
25	**OTHER INCOME**		
	Other non operating income	**882.34**	70.14
		882.34	70.14
26	**COST OF RAW MATERIAL CONSUMED**		
	Inventory at the beginning of the year	**10,537.46**	10,513.88
	Add : Purchases and Other Related Expenses	**34,320.85**	44,817.90
	Less : Inventory at the end of the year	**9,365.47**	10,537.46
		35,492.84	44,794.32
27	**CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**		
	Inventories at the end of the year		
	Work - in - process	**3,681.75**	7,273.02
	Finished Goods	**-**	292.10
		3,681.75	7,565.12
	Inventories at the beginning of the year		
	Work - in - process	**7,273.02**	7,286.85
	Finished Goods	**292.10**	328.61
		7,565.12	7,615.46
		3,883.37	50.34

(All amounts in ` Lakhs, unless otherwise stated)

		Year ended 31st March, 2017	Year ended 31st March 2016
28	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and Wages	**4,013.14**	3,500.13
	Contribution to Provident and other funds	**303.32**	256.44
	Employee stock option scheme	**23.69**	61.17
	Staff Welfare expenses	**201.59**	195.01
		4,541.74	4,012.75
29	**OTHER EXPENSES**		
	Stores and Packing Materials Consumed	**794.75**	111.59
	Power and Fuel	**524.18**	551.93
	Repair and Maintenance		
	- Machinery	**144.17**	234.71
	- Buildings	**126.12**	83.23
	Rent and Compensation	**214.49**	251.21
	Insurance Charges (Net)	**313.46**	289.46
	Rates and Taxes	**136.12**	201.34
	Travelling and Conveyance	**709.46**	793.47
	Freight (Net)	**326.69**	34.45
	Commission on Sales	**226.54**	2,924.90
	Legal and Professional Fees	**751.92**	604.82
	Auditors Remuneration	**85.44**	82.12
	Director's Sitting Fees	**6.13**	6.96
	Bank Charges, Guarantee Commission and Other Charges	**1,520.15**	1,517.51
	Loss on Disposal of Fixed Assets (Net)	**140.37**	-
	Warranty and After Sales Expenses	**9.26**	68.39
	Miscellaneous Expenses	**49.22**	92.39
	Other Establishment Expenses	**1,240.26**	1,036.74
	Net (Gain) / Loss from foreign currency transactions and translations	**25.16**	244.73
	Sundry Balance Written Off (Net)	**621.68**	31.97
	Provision for liquidated damages and others	**225.00**	300.00
	Less: Common overheads recovered/ transferred to project development expenditure	**(427.24)**	(845.22)
		7,763.33	8,616.70

		Year ended 31st March, 2017	Year ended 31st March 2016
30	**FINANCE COST (net)**		
	Interest Cost		
	On Term Loans	**1,854.68**	2,074.66
	On Working Capital	**10,099.01**	7,753.51
	To Others	**1,257.47**	900.45
	Other Borrowing Cost	**273.13**	393.98
		13,484.29	11,122.60
	Less:		
	Interest from bank and Others	**180.68**	152.22
	Interest from Related Parties	**7.05**	270.61
		187.73	422.83
		13,296.56	10,699.77

(All amounts in ` Lakhs, unless otherwise stated)

31	**EXCEPTIONAL ITEM**	**3,919.58**	**-**
	Exceptional items for the year ended 31 March 2017, represent write off of Project Development Expenditure amounting to ` 3,060.15 Lakhs and impairment of capital work in progress in wholly owned subsidiary i.e. Emco Power Ltd amounting to ` 859.43 Lakhs.		

32. Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders

	March 31, 2017	March 31, 2016
Profit/(Loss) attributable to equity holders:	(6,568.75)	(4,433.73)
Continuing operations	(6,568.75)	(4,433.73)
Discontinued operations	-	-
Profit/(Loss) attributable to equity holders of the parent for basic earnings	**(6,568.75)**	**(4,433.73)**
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	**(6,568.75)**	**(4,433.73)**

ii. Weighted average number of ordinary shares

	March 31, 2017	March 31, 2016
Issued ordinary shares at April 1	67,575,885	67,575,885
Effect of shares issued for cash on 28-Oct-2016 under ESOP	84,931	-
Weighted average number of shares at March 31 for basic EPS	**67,660,816**	**67,575,885**
Effect of dilution:		
Share options	400,347	374,261
	68,061,163	**67,950,146**

Basic and Diluted earnings per share

	March 31, 2017	March 31, 2016
Basic earnings per share	(9.71)	(6.56)
Diluted earnings per share	(9.71)	(6.56)

33 Tax Reconciliation

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax	**0.12**	-
Deferred tax charge / (credit)		
Origination and reversal of temporary differences	**(2,887.47)**	(2,266.61)
Deferred tax expense	**(2,887.47)**	(2,266.61)
Tax expense / (benefit) for the year	**(2,887.35)**	(2,266.61)

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
a) Remeasurement of post employment benefit obligations	**(6.50)**	2.25	(4.25)	(4.06)	1.41	(2.65)
	(6.50)	**2.25**	**(4.25)**	**(4.06)**	**1.41**	**(2.65)**

(c) Reconciliation of effective tax rate

(All amounts in ` Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax	**(9,451.85)**	(6,697.69)
Tax using the Group's domestic tax rate (Current year 30.90% and Previous Year 30.90%)	**(2,920.62)**	(2,069.59)
Tax effect of:		
Difference in tax rate	**280.69**	254.41
Expenses not deductible for tax purposes	**254.84**	339.46
Reversal of opening balance Ind-AS impact	**-**	(1,008.67)
Reversal of defferend tax created on intercompany transation	**-**	-
Exempt income	**-**	2.71
No deferred tax created	**(502.26)**	215.07
	(2,887.35)	(2,266.61)

34 Deferred Tax Disclosure

(a) Movement in deferred tax balances

Particulars	March 31, 2017			
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net
Deferred tax asset / (Liabilities)				
Property, plant and equipment	(3,566.91)	(1,061.90)	-	(4,628.81)
Investments	(2.93)	-	-	(2.93)
Deposit	(0.16)	-	-	(0.16)
Prepaid commission	67.99	-	-	67.99
Derivatives	61.91	-	-	61.91
Employee benefits	72.25	(107.70)	2.25	(33.20)
MAT Credit	501.08	-	-	501.08
Other items	3,314.00	4,057.06	-	7,371.06
Tax assets (Liabilities)	**447.24**	**2,887.47**	**2.25**	**3,336.96**

(b) Movement in deferred tax balances

Particulars	March 31, 2016			
	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Net Deferred tax asset / liability
Deferred tax asset / (Liabilities)				
Property, plant and equipment	(3,734.99)	168.08		(3,566.91)
Investments	(2,084.69)	2,081.76		(2.93)
Deposit	0.31	(0.47)		(0.16)
Loans	(63.94)	63.94		-
Trade receivables	1,077.69	(1,077.69)		-
Prepaid commission	103.94	(35.94)		67.99
Derivatives	(45.18)	107.09		61.91
Employee benefits	56.90	13.95	1.40	72.25
Employee Share Options	3.20	(3.20)		-
MAT Credit*	424.20			501.08
Other items	2,364.90	949.09		3,314.00
Tax assets (Liabilities)	**(1,897.66)**	**2,266.61**	**1.40**	**447.24**

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

(All amounts in ` Lakhs, unless otherwise stated)

Deferred tax asset / (Liabilities) is disclosed as follows:		As at 31st March, 2017	As at 31st March, 2016	As At 1st April 2015
Mat Credit Entitlement	Refer Note 6	501.09	501.08	424.20
Deferred Tax-Asset	Refer Note 6	2,835.87	-	-
Deferred Tax Liability (Net)	Refer Note 17	-	(53.84)	(2,321.86)
Total		**3,336.96**	**447.24**	**(1,897.66)**

Tax Losses carried forward

	31-Mar-17	Expiry Year	31-Mar-16	Expiry Year
Brought forward losses				
- Allowed to carry forward losses for specific period	7,950.92	2020-25	3,412.70	2020-24
- Allowed to carry forward losses for specific period	2,705.43	2018-22	3,216.10	2017-21
- Allowed to carry forward losses for infinite period	5,871.97		4,080.37	
Total	**16,528.32**		**10,709.17**	

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

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

35 Employee benefits

(A) Defined Contribution Plan

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

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

	31 March 2017	31 March 2016	1 April 2015
Charge to the Statement of Profit and Loss based on contributions:			
Employees' Provident fund	**116.14**	94.64	108.25
Employees' Pension Fund	**81.74**	84.50	69.43
Employees' ESIC Fund	**12.08**	10.20	14.84

(B) Defined Benefit Plan

Gratuity

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Group.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees adminster the contributions made by the Group to the gratuity scheme.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31, 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(All amounts in ` Lakhs, unless otherwise stated)

		31-Mar-17 Gratuity (Funded plan)	31-Mar-16 Gratuity (Funded plan)	01-Apr-15 Gratuity (Funded plan)
(i)	Change in Defined Benefit Obligation			
	Opening defined benefit obligation	361.67	338.51	351.14
	Amount recognised in profit and loss			
	Current service cost	44.59	46.14	45.57
	Interest cost	25.66	24.34	29.52
	Amount recognised in other comprehensive income			
	Actuarial loss / (gain) arising from:			
	Demographic assumptions			
	Financial assumptions	26.42	(6.75)	39.59
	Experience adjustment	(21.41)	12.23	(70.31)
	Other			
	Benefits paid	(81.86)	(52.81)	(57.00)
	Closing defined benefit obligation	355.07	361.67	338.51
(ii)	Change in Fair Value of Assets			
	Opening fair value of plan assets	286.16	306.17	327.07
	Adjustment to Opening Fair Value of Plan Asset	(2.14)		6.44
	Amount recognised in profit and loss			
	Interest income	19.48	22.18	28.35
	Amount recognised in other comprehensive income			
	Actuarial gain / (loss)			
	Return on Plan Assets, Excluding Interest Income	(1.49)	1.43	(1.69)
	Other			
	Contributions by employer	0.89	9.19	2.99
	Benefits paid	(81.86)	(52.81)	(57.00)
	Closing fair value of plan assets	221.04	286.16	306.17
	Actual return on Plan Assets			
(iii)	Plan assets comprise the following			
	Fund managed by Insurance Company (100%)	221.04	286.16	306.17
		221.04	286.16	306.17
(iv)	Expenses recognised during the year			
	--In Income Statement			
	Current Service Cost	44.59	46.14	
	Interest Cost	6.18	2.16	
	Adjustment to Opening Fair Value of Plan Asset	(2.14)	-	
	Net Cost	**48.63**	**48.30**	
	--In Other Comprehensive Income			
	Actuarial (Gain) / Loss	5.01	5.48	
	Return On Plan Assets	1.49	(1.43)	
	Net (Income)/ Expense For the period Recognised in OCI	**6.50**	**4.06**	
(v)	Principal actuarial assumptions used			
	Discount rate	7.17%	8.00%	7.80%
	Mortality rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Employee Attrition Rate			
	Upto Age 40	5%	5%	5%
	Age 41 to 50	3%	3%	3%
	Age 51and above	1%	1%	1%

(All amounts in ` Lakhs, unless otherwise stated)

vi. Sensitivity analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Gratuity			
	31-Mar-17		31-Mar-16	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(31.45)**	**36.44**	(30.95)	35.87
Employee turnover (1% movement)	**5.54**	**(6.18)**	11.87	(6.94)
Future salary growth (1% movement)	**31.97**	**(29.20)**	36.61	(32.05)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

vi. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
March 31, 2017					
Defined benefit obligations (Gratuity)	25.16	34.88	186.71	401.19	647.95
Total	**25.16**	**34.88**	**186.71**	**401.19**	**647.95**

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2017 based on actuarial valuation using the projected accrued benefit method is ` 15.55 lakhs (March 31, 2016 : ` 33.24 lakhs).

36. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

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

1. 1,90,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2006. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2006.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

3. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

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

ESOS 2006

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period (Years)	Fair Value
20-Apr-11	16,000	297	20-Apr-14	3	NA *

ESOS 2011

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period (Years)	Fair Value
10-May-11	45,000	56.16	10-May-14	3	NA *
10-May-11	1,040,000	62.4	10-May-14	3	NA *
04-Aug-11	150,000	49.5	04-Aug-14	3	NA *
04-Aug-11	40,000	44.55	04-Aug-14	3	NA *
15-Sep-11	75,000	52.05	15-Sep-14	3	NA *
22-Oct-13	366,664	16	21-Oct-16	3	6.74

(All amounts in ` Lakhs, unless otherwise stated)

22-Oct-13	366,664	16	21-Oct-17	4	7.97
22-Oct-13	366,664	16	21-Oct-18	5	8.99
12-Sep-14	33,333	43.25	11-Sep-17	3	20.79
12-Sep-14	33,333	43.25	11-Sep-18	4	24.30
12-Sep-14	33,334	43.25	11-Sep-19	5	27.10
29-Jul-15	200,000	30.7	28-Jul-16	1	11.43
29-Jul-15	200,000	30.7	28-Jul-17	2	13.66
29-Jul-15	200,000	30.7	28-Jul-18	3	15.53
29-Jul-15	100,000	30.7	28-Jul-19	4	17.13
30-Jul-15	100,000	30.4	29-Jul-19	4	16.96

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

ESOS 2015

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period (Years)	Fair Value
26-Jul-16	8,776	31.75	26-Jul-17	1	12.64
26-Jul-16	8,776	31.75	26-Jul-18	2	15.60
26-Jul-16	8,773	31.75	26-Jul-19	3	17.07
12-Oct-16	2,500	33.6	12-Oct-17	1	14.93
12-Oct-16	2,500	33.6	12-Oct-18	2	17.52
12-Oct-16	2,500	33.6	12-Oct-19	3	19.63

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

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

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

	ESOS 2011		ESOS 2015	
	31 March, 2017	**31 March, 2016**	**31 March, 2017**	**31 March, 2016**
Fair value at grant date	6.74 - 27.10	6.74 - 27.10	12.64 - 19.63	12.64 - 19.63
Share price at grant date	16 - 43.25	16 - 43.25	31.75 - 33.60	31.75 - 33.60
Exercise price	16 - 43.25	16 - 43.25	31.75 - 33.60	31.75 - 33.60
Expected volatility (weighted-average)	58.26% - 65.46%	58.26% - 65.46%	49.35% - 57.54%	49.35% - 57.54%
Expected life	2.5 - 5.5	2.5 - 5.5	2.5 - 4.5	2.5 - 4.5
Expected dividends	-	-	-	-
Risk-free interest rate (based on government bonds)	7.67% - 8.60%	7.67% - 8.60%	6.48% - 7.04%	6.48% - 7.04%

Weighted average remaining contractual life of the options as at 31-Mar-17 - 2.29 (31-Mar-16 - 3.29 & 1-Apr-15 - 4.29) years

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2017

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

(All amounts in ` Lakhs, unless otherwise stated)

C. Reconciliation of outstanding share options

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

Particulars	ESOS 2011			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	1,780,100	26.19	1,350,006	28.04
Add: Options granted during the year	-	-	800,000	26.86
Less: Options lapsed during the year	531,567	28.03	369,906	34.42
Less: Options exercised during the year	199,998	16.00	-	-
Options outstanding as at the year end	**1,048,535**	**27.20**	**1,780,100**	**26.19**

Particulars	ESOS 2015			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	33,825	32.16	-	-
Less: Options lapsed during the year	9,710	31.75	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	**24,115**	**32.33**	**-**	**-**

Particulars	ESOS 2006			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March, 2017	31 March, 2017	31 March, 2016	31 March, 2016
Options outstanding as at the beginning of the year	10,680	297.00	16,000	297.00
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	5,320	297.00	5,320	297.00
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	**5,360**	**297.00**	**10,680**	**297.00**

37. Operating leases

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

Leases as lessee

i. Future minimum lease payments

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

Particulars	March 31, 2017	March 31, 2016
	INR	INR
Less than one year	42.07	35.03
Between one and five years	17.53	-
	59.60	**35.03**

(All amounts in ` Lakhs, unless otherwise stated)

ii. Amounts recognised in profit or loss

Particulars	March 31, 2017	March 31, 2016
	INR	INR
Lease expense	214.49	251.21
	214.49	**251.21**

38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

	At 31 March 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares	846.60		846.60	-	-	846.60
Security & Rent deposit		282.57	282.57	-	-	-
Other non-current Financial assets		0.64	0.64	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.83		0.83	0.83	-	-
(iii) Investment in Equity Instrument (Unquoted)	140.84		140.84	-	-	140.84
Current Financial assets						
Cash and cash equivalents		3,669.37	3,669.37	-	-	-
Loans and advances to related parties		84.86	84.86	-	-	-
Inter Corporate Deposits		875.04	875.04	-	-	-
Trade and other receivables		63,717.32	63,717.32	-	-	-
Earnest Money Deposit		21.44	21.44	-	-	-
Security & Rent deposit		124.78	124.78	-	-	-
Derivatives not designated as hedges				-	-	-
Foreign exchange forward contracts - Current	192.12		192.12	-	192.12	-
Total Financial Assets	**1,180.39**	**68,776.02**	**69,956.41**	**0.83**	**192.12**	**987.44**
Non Current Financial liabilities				-	-	-
Rupee loan		6,181.67	6,181.67	-	-	-
Foreign currency loan		3,997.76	3,997.76	-	-	-
Vehicle Loans		26.50	26.50	-	-	-
Current Financial liabilities						
Working capital loans from banks		3,101.33	3,101.33	-	-	-
Cash Credit / Packing Credit		70,089.48	70,089.48	-	-	-
Borrowings - Others		1,373.13	1,373.13	-	-	-
Trade payables		17,809.66	17,809.66	-	-	-
Acceptances		12,953.85	12,953.85	-	-	-
Security deposits		8.41	8.41	-	-	-
Current maturities of long-term debt - From banks		4,565.99	4,565.99	-	-	-
Interest accrued but not due on borrowings		212.32	212.32	-	-	-
Unclaimed Dividends		6.36	6.36	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	15.77		15.77	-	15.77	-
Total Financial Liabilities	**15.77**	**120,326.46**	**120,342.23**	**-**	**15.77**	**-**

(All amounts in ` Lakhs, unless otherwise stated)

	At 31 March 2016					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	840.60		840.60	-	-	840.60
Investment in mutual funds	5.86		5.86	-	5.86	-
Security & Rent deposit		250.98	250.98	-	-	-
Other non-current Financial assets		14.79	14.79	-	-	-
(i) Investment in Equity Instrument (Quoted)	0.34		0.34	0.34	-	-
(iii) Investment in Equity Instrument (Unquoted)	135.28		135.28	-	-	135.28
Current Financial assets						
Cash and cash equivalents		1,070.30	1,070.30	-	-	-
Loans and advances to related parties		119.98	119.98	-	-	-
Inter Corporate Deposits		737.76	737.76	-	-	-
Trade and other receivables		61,156.82	61,156.82	-	-	-
Earnest Money Deposit		42.77	42.77	-	-	-
Security & Rent deposit		328.09	328.09	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	52.72		52.72	-	52.72	-
Total Financial Assets	**1,034.80**	**63,721.49**	**64,756.29**	**0.34**	**58.58**	**975.88**
Non Current Financial liabilities						
Rupee loan		7,942.50	7,942.50	-	-	-
Foreign currency loan		8,634.40	8,634.40	-	-	-
Vehicle Loans		21.69	21.69	-	-	-
Current Financial liabilities						
Working capital loans from banks		500.00	500.00	-	-	-
Cash Credit / Packing Credit		40,037.26	40,037.26	-	-	-
Borrowings - Others		1,402.85	1,402.85	-	-	-
Trade payables		24,180.92	24,180.92	-	-	-
Acceptances		24,064.24	24,064.24	-	-	-
Security deposits		5.75	5.75	-	-	-
Current maturities of long-term debt - From banks		6,948.93	6,948.93	-	-	-
Interest accrued but not due on borrowings		108.45	108.45	-	-	-
Interest accrued and due on borrowings		14.39	14.39	-	-	-
Unclaimed Dividends		9.13	9.13	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	65.58		65.58	-	65.58	-
Total Financial Liabilities	**65.58**	**113,870.51**	**113,936.09**	**-**	**65.58**	**-**

	At 1 April 2015					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in preference shares and bonds	840.60		840.60	-	-	840.60
Investment in mutual fund	6.19		6.19	-	6.19	-
Security & Rent deposit		267.67	267.67	-	-	-
Other non-current Financial assets		272.14	272.14	-	-	-

(All amounts in ` Lakhs, unless otherwise stated)

(i) Investment in Equity Instrument (Quoted)	0.29		0.29	0.29	-	-
(iii) Investment in Equity Instrument (Unquoted)	125.48		125.48	-	-	125.48
Current Financial assets						
Cash and cash equivalents		2,545.77	2,545.77	-	-	-
Loans and advances to related parties		989.49	989.49	-	-	-
Inter Corporate Deposits		1,098.12	1,098.12	-	-	-
Trade and other receivables		54,365.18	54,365.18	-	-	-
Earnest Money Deposit		56.17	56.17	-	-	-
Security & Rent deposit		390.87	390.87	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts	220.96		220.96	-	220.96	-
Total Financial Assets	**1,193.52**	**59,985.41**	**61,178.93**	**0.29**	**227.15**	**966.08**
Non Current Financial liabilities						
Rupee loan		10,463.45	10,463.45	-	-	-
Foreign currency loan		7,443.89	7,443.89	-	-	-
Vehicle Loans		26.23	26.23	-	-	-
Current Financial liabilities						
Working capital loans from banks		500.00	500.00	-	-	-
Cash Credit / Packing Credit		40,913.76	40,913.76	-	-	-
Borrowings - Others		1,312.79	1,312.79	-	-	-
Trade payables		17,463.43	17,463.43	-	-	-
Acceptances		18,074.94	18,074.94	-	-	-
Security deposits		5.75	5.75	-	-	-
Current maturities of long-term debt - From banks		5,308.48	5,308.48	-	-	-
Interest accrued but not due on borrowings		129.19	129.19	-	-	-
Interest accrued and due on borrowings		104.12	104.12	-	-	-
Unclaimed Dividends		10.51	10.51	-	-	-
Derivatives not designated as hedges						
Foreign exchange forward contracts - Current	108.36		108.36	-	108.36	-
Total Financial Liabilities	**108.36**	**101,756.54**	**101,864.90**	**-**	**108.36**	**-**

B. Measurement of fair values

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

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

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

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

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

(All amounts in ` Lakhs, unless otherwise stated)

Financial instruments measured at fair value

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

Level 3 fair values

Reconciliation of Level 3 fair values

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

Particulars	Investment in unquoted equity and preference shares
Opening Balance(1 April 2015)	966.08
Net change in fair value (unrealised) / Addition	9.80
Closing Balance (31 March 2016)	975.88
Opening Balance(1 April 2016)	975.88
Net change in fair value (unrealised)	5.56
Addition	6.00
Closing Balance (31 March 2017)	987.44

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

C. Financial risk management

i. The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The companies exposure are continuously monitored. Trade receivables consist of customers which are sovereign in nature, hence exposure to default on it contractual obligation is minimal. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix.

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2017	March 31, 2016	April 1, 2015
Not due	**35,811.62**	38,245.75	23,158.59
0-180 days	**16,585.18**	10,311.26	19,017.47
More than 180 days	**16,832.84**	17,960.05	17,401.87
	69,229.63	66,517.07	59,577.93

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings where-ever available.

(All amounts in ` Lakhs, unless otherwise stated)

At March 31, 2017, the Group's most significant customer accounted for ` 20,998.16 Lakhs of the trade and other receivables carrying amount (March 31, 2016 ` 23295.23 Lakhs, April 1, 2015 ` 14426.84 Lakhs).

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Carrying amount
Balance as at April 1, 2015	**5,212.75**
Impairment loss recognised	300.00
Amounts written off	152.50
Balance as at March 31, 2016	**5,360.25**
Impairment loss recognised	225.00
Amounts written off	72.94
Balance as at March 31, 2017	**5,512.31**

For the year ended March 31, 2017, there was an impairment loss of ` 72.94 Lakhs (152.49 Lakhs as on 31-Mar-16) related to a customer that was due to price differences, excise duty difference and old balance no more receivable.

Cash and cash equivalents

The Group held cash and cash equivalents of ` 2407.58 Lakhs at March 31, 2017 (March 31, 2016: ` 297.60 Lakhs, April 1, 2015 ` 2459.72 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with banks with good credit ratings.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Parent Company has approached lenders to restructure the debts including the option of Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) with the reference date of November 16, 2016.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
March 31, 2017	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	8,933.01	9,658.52	3,062.55	6,104.80	491.17	-
Foreign currency term loans from banks (Incl. Current Maturities)	5,838.91	7,732.54	2,282.20	4,911.39	538.95	-
Working capital loans from banks	3,101.33	3,101.33	3,101.33			
Cash Credit / Packing Credit	70,089.48	70,089.48	70,089.48			
Acceptances	12,953.85	12,953.85	12,953.85			
Borrowings - Others	1,373.13	1,373.13	1,373.13			
Trade payables	17,809.66	17,809.66	17,809.66			
Security deposits	8.41	8.41	8.41			
Interest accrued but not due on borrowings	212.32	212.32	212.32			
Unclaimed Dividends	6.36	6.36	6.36			
Total non-derivative liabilities	**120,326.46**	**122,945.61**	**110,899.30**	**11,016.19**	**1,030.11**	**-**
Derivative financial liability						
Forward exchange contracts	15.77	15.77	15.77			
Total derivative liabilities	**15.77**	**15.77**	**15.77**	**-**	**-**	**-**

(All amounts in ` Lakhs, unless otherwise stated)

		Contractual cash flows				
March 31, 2016	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	13,043.95	15,178.70	4,803.79	9,563.62	811.29	-
Foreign currency term loans from banks (Incl. Current Maturities)	10,503.57	11,753.58	2,405.69	8,796.97	550.93	-
Working capital loans from banks	500.00	500.00	500.00			
Cash Credit / Packing Credit	40,037.26	40,037.26	40,037.26			
Acceptances	24,064.24	24,064.24	24,064.24			
Borrowings - Others	1,402.85	1,402.85	1,402.85			
Trade payables	24,180.92	24,180.92	24,180.92			
Security deposits	5.75	5.75	5.75			
Interest accrued but not due on borrowings	122.84	122.84	122.84			
Unclaimed Dividends	9.13	9.13	9.13			
Total non-derivative liabilities	**113,870.51**	**117,255.27**	**97,532.47**	**18,360.58**	**1,362.22**	**-**
Derivative financial liabilities						
Forward exchange contracts	65.58	65.58	65.58			
Total derivative liabilities	**65.58**	**65.58**	**65.58**	**-**	**-**	**-**

		Contractual cash flows				
April 1, 2015	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks (Incl. Current Maturities)	13,379.69	16,048.64	4,587.82	7,724.54	3,416.16	320.12
Foreign currency term loans from banks (Incl. Current Maturities)	9,862.36	11,915.14	2,115.07	4,563.44	4,718.81	517.81
Working capital loans from banks	500.00	500.00	500.00			
Cash Credit / Packing Credit	40,913.76	40,913.76	40,913.76			
Acceptances	18,074.94	18,074.94	18,074.94			
Borrowings - Others	1,312.79	1,312.79	1,312.79			
Trade payables	17,463.43	17,463.43	17,463.43			
Security deposits	5.75	5.75	5.75			
Interest accrued but not due on borrowings	233.31	233.31	233.31			
Unclaimed dividends	10.51	10.51	10.51			
Total non-derivative liabilities	**101,756.54**	**106,478.27**	**85,217.38**	**12,287.98**	**8,134.97**	**837.93**
Derivative financial liabilities						
Forward exchange contracts	108.36	108.36	108.36			
Total derivative liabilities	**108.36**	**108.36**	**108.36**	**-**	**-**	**-**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy. However price variation clause in contracts entered with customer protects Group from any impact due to changes in commodity prices

(All amounts in ` Lakhs, unless otherwise stated)

Currency risk

The Group is exposed to currency risk on account of its trade receivables, loans, borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 52.85 USD 3.45	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 1.23	Buy

Group do not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2016:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 73.55 USD 24.42	Sell Buy
Hedges of recognized assets and liabilities	Forward contract	EUR	INR	EUR 11.12	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

	March 31, 2017			
	USD	EURO	MWK	Others
Financial assets				
Current Assets				
Trade receivables	5,687.30	-	1.24	-
Less: Forward currency contract	3,678.11	-	-	-
Net Trade receivables	2,009.19	-	1.24	-
Loans	-	-	-	-
Cash & Cash equivalents	18.72	-	52.38	0.48
	2,027.91	-	53.62	0.48
Financial liabilities				
Long term borrowings	2,132.00	-	-	-
Short term borrowings	2,688.46	-	-	-
Trade and other payables	425.62	90.42	5.45	2.75
Less: Forward currency contract	240.58	89.35	-	-
Net Trade Payable	185.04	1.07	5.45	2.75
	5,005.49	1.07	5.45	2.75
Net exposure	**(2,977.58)**	**(1.07)**	**48.17**	**(2.28)**

	March 31, 2016			
	USD	EURO	MWK	Others
Financial assets				
Trade receivables	5,419.98		-	-
Less: Forward currency contract	4,981.72	-	-	-
Net Trade receivables	438.26	-	-	-
Loans	-	-	-	4.23
Cash & Cash equivalents	5.37	-	-	-
	443.62	-	-	4.23
Financial liabilities				
Long term borrowings	2,712.53	-	-	-
Short term borrowings	3,782.51	-	-	-
Trade and other payables	1,840.03	883.12	-	28.60
Less: Forward currency contract	1,698.27	879.20	-	-
Net Trade Payable	141.76	3.93	-	28.60
	6,636.80	3.93	-	28.60
Net exposure	**(6,193.17)**	**(3.93)**	**-**	**(24.37)**

(All amounts in ` Lakhs, unless otherwise stated)

	April 1, 2015			
	USD	EURO	MWK	Others
Financial assets				
Trade receivables	10,709.35	467.31	-	210.00
Less: Forward currency contract	(1,310.61)	(585.08)	-	-
Net Trade receivables	9,398.73	(117.76)	-	210.00
Loans	-	-	-	3.92
Cash & Cash equivalents	4.63	-	-	-
	9,403.36	(117.76)	-	213.91
Financial liabilities				
Long term borrowings	2,946.08	-	-	-
Short term borrowings	2,595.51	-	-	-
Trade and other payables	2,167.02	400.07	-	2.62
Less: Forward currency contract	(1,082.91)	(174.89)	-	
Net Trade Payable	1,084.11	225.18	-	2.62
	6,625.70	225.18	-	2.62
Net exposure	**2,777.66**	**(342.94)**	**-**	**211.29**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD	67.09	65.46	64.84	66.33
EUR	73.61	72.31	69.25	75.10
MWK	0.09	0.10	0.09	0.10

MWK is Malawian Kwacha and the currency is being used in Malawi.

Other currencies includes Nepalese Rupee (NPR), Zambian Kwacha (ZMK), Singapore Dollar (SGD) and Swiss Franc (CHF)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in `	**Profit or loss / Equity**	
	Strengthening	Weakening
March 31, 2017		
3% movement		
USD	89.33	(89.33)
EUR	0.03	(0.03)
MWK	(1.45)	1.45
Others	0.07	(0.07)
	87.98	(87.98)

Effect in `	**Profit or loss / Equity**	
	Strengthening	Weakening
March 31, 2016		
3% movement		
USD	185.80	(185.80)
EUR	0.12	(0.12)
Others	(0.73)	0.73
	185.18	(185.18)

(All amounts in ` Lakhs, unless otherwise stated)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and loans and advances. Borrowings issued at fixed rates and loans and advances exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	March 31, 2017	March 31, 2016	April 1, 2015
Fixed-rate instruments			
Financial liabilities	18,482.02	27,815.39	20,634.43
	18,482.02	27,815.39	20,634.43
Variable-rate instruments			
Financial liabilities	83,807.68	61,736.48	63,409.11
	83,807.68	61,736.48	63,409.11
Total	**102,289.71**	**89,551.87**	**84,043.54**

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings and interest bearing financial assets are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
March 31, 2017		
Variable-rate instruments	(838.08)	838.08
Cash flow sensitivity (net)	**(838.08)**	**838.08**
March 31, 2016		
Variable-rate instruments	(617.36)	617.36
Cash flow sensitivity (net)	**(617.36)**	**617.36**

39. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital and capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

	As at March 31, 2017	As at March 31, 2016	As at April 1 2015
Gross Debt	102,289.71	89,551.87	84,043.54
Less : Cash and cash equivalent	2,407.57	297.62	2,459.72
Adjusted net debt	**99,882.14**	**89,254.25**	**81,583.82**
Total equity	27,040.87	31,948.09	36,416.27
Adjusted equity	**27,040.87**	**31,948.09**	**36,416.27**
Adjusted net debt to adjusted equity ratio	3.69	2.79	2.24

(All amounts in ` Lakhs, unless otherwise stated)

40. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	24.54	0.52	25.06
(+) Permitted receipts	-	0.60	0.60
(-) Permitted payments	-	0.23	0.23
(-) Amount deposited in Banks	24.54	0.05	24.58
Closing cash in hand as on 30.12.2016	**-**	**0.84**	**0.84**

41 First - time adoption of Ind AS

I. First-time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the presentation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position and financial performance is set out in the following tables and notes.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Business combination

Ind AS 101 provide the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and Investment property

Ind AS 101 permits a first time adopter to continue with the carrying value for all its property, plant and equipment, and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Further standard also permits to state the item of PPE at fair value on the date of transition.

Accordingly, the Group has elected to measure all of its PPE, and intangible asset at their previous GAAP carrying values except certain items of Capital WIP which are stated at the fair value.

c) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in quoted equity shares.

d) Share based payments

The Group has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Group has measured only the unvested stock options on the date of transition as per Ind AS 102.

III. Exceptions from full retrospective application:

a) Estimates

Upon an assessment of the estimates made under Indian GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

The Group made estimate for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds carried at FVTPL.

- Investment in equity instruments carried at FVTPL

(All amounts in ` Lakhs, unless otherwise stated)

b) Classification and measurement of financial assets

The Group has classified and measured the financial assets (investment in debt instruments) on the basis of facts and circumstances that exist at the date of transition to Ind AS.

c) Long term foreign currency monetary items

Under previous GAAP, paragraph 46/ 46A of AS 11 The Effects of Changes in Foreign Exchange rate, provide an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. The Group has availed optional exemption to continue the above accounting treatment in respect of the long term foreign currency monetary items recognised in the financial statements for the period immediately before the beginning of first Ind AS reporting period i.e. 1 April 2015.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Group

42 (i) Reconciliation of Balance sheet as at 1st April 2015

		Note	As At 1st April 2015	Effects of transition to Ind AS	As At 1st April 2015
			IGAAP		INDAS
II.	ASSETS				
1	NON-CURRENT ASSETS				
	Non-Current Assets				
	(a) Property Plant & Equipment	2	27,574.54	(368.69)	27,205.85
	(b) Capital work in progress	2	8,228.86	(7,435.70)	793.16
	(c) Intangible assets	2	9,466.98	(7,733.17)	1,733.81
	(d) Intangible assets under development		-	-	-
	(e) Investment in Joint Ventures	2	-	6,931.99	6,931.99
	(f) Financial Assets				
	(i) Investments	1,2	963.81	8.75	972.56
	(ii) Loans		73.72	(73.72)	-
	(iii) Others	6,7,2	1,449.69	(909.88)	539.81
	(g) Tax Asset		424.20	0.00	424.20
	(h) Other Non-Current Assets	6,7,2	116.19	1,483.13	1,599.32
	Non Current Assets		**48,297.99**	**(8,097.29)**	**40,200.70**
2	CURRENT ASSETS				
	(a) Inventories	2	21,099.45	(522.81)	20,576.64
	(b) Financial Assets				
	(i) Trade receivables	5,2	58,971.85	(4,606.67)	54,365.18
	(ii) Cash & Cash equivalents	2	2,512.19	(52.47)	2,459.72
	(iii) Other bank balances		86.05	(0.00)	86.05
	(iv) Loans	2	1,224.93	862.68	2,087.61
	(v) Others	4,2	502.25	165.75	668.00
	(c) Current tax asset - Income Tax receivable		1,185.30	(0.00)	1,185.30
	(d) Other Current Assets	6,7,2	31,778.28	(468.01)	31,310.27
	Current Assets		**117,360.32**	**(4,621.55)**	**112,738.77**
	Total - ASSETS		**165,658.32**	**(12,718.85)**	**152,939.47**

(All amounts in ` Lakhs, unless otherwise stated)

I.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity Share Capital		1,351.52		1,351.52
	(b) Other Equity	**1-9**	45,800.33	(10,735.58)	35,064.75
	(i) Reserves and Surplus		12,971.66	(10,585.40)	2,386.25
	(ii) 'Other reserves		32,828.67	(150.17)	32,678.50
	(c) Share of Minority Interest	**2**	2.94	(2.94)	-
	Equity		**47,154.78**	**(10,738.52)**	**36,416.27**
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		18,957.97	(1,024.40)	17,933.57
	(ii) Other Financial liabilities				-
	(b) Provisions	**2**	135.47	(36.56)	98.91
	(c)Deferred Tax Liability (net)	**8,2**	1,313.19	1,008.67	2,321.86
	Non Current Liabilities		**20,406.63**	**(52.29)**	**20,354.34**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	**2**	62,766.44	(1,964.95)	60,801.49
	(ii) Trade Payables	**2**	17,992.35	(528.92)	17,463.43
	(iii) Other Financial liabilities	**4,2**	5,685.86	(19.45)	5,666.41
	(b) Provisions	**3**	711.83	(81.33)	630.50
	(c) Other Current Liabilities	**2**	10,940.42	666.61	11,607.03
	Current Liabilities		**98,096.90**	**(1,928.04)**	**96,168.86**
	Total - EQUITY AND LIABILITIES		**165,658.32**	**(12,718.85)**	**152,939.47**

(ii) Reconciliation of Balance sheet as at 31st March 2016

		Note	As At 31st March 2016	Effects of transition to Ind AS	As At 31st March 2016
			IGAAP		INDAS
II.	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	Non-Current Assets				
	(a) Property Plant & Equipment	**2**	26,182.66	(362.44)	25,820.22
	(b) Capital work in progress	**2**	9,591.68	(7,440.13)	2,151.55
	(c) Other intangible assets	**2**	8,956.23	(7,714.02)	1,242.21
	(d) Intangible assets under development		571.32	0.00	571.32
	(e) Investment in Joint Ventures	**2**	-	6,898.41	6,898.41
	(f) Financial Assets				
	(i) Investments	**1,2**	963.93	18.15	982.08
	(ii) Loans		666.35	(666.35)	-
	(iii) Others	**7,2**	464.27	(198.50)	265.77
	(g) Tax Asset		501.08	(0.00)	501.08
	(h) Other Non-Current Assets	**2**	25.49	1,397.64	1,423.13
	Non Current Assets		**47,923.03**	**(8,067.26)**	**39,855.77**

(All amounts in ` Lakhs, unless otherwise stated)

2	**CURRENT ASSETS**				
	(a) Inventories	2	20,730.64	(126.70)	20,603.94
	(b) Financial Assets				
	(i) Trade receivables	5,2	65,065.02	(3,908.20)	61,156.82
	(ii) Cash & Cash equivalents	2	543.03	(245.41)	297.62
	(iii) Other bank balances		772.68	(0.00)	772.68
	(iv) Loans	2	738.39	119.35	857.74
	(v) Others	4,2	425.02	(1.44)	423.58
	(c) Current tax assets		1,614.26	(0.00)	1,614.26
	(d) Other Current Assets	6,7,2	34,487.64	(1,512.52)	32,975.12
	Current Assets		**124,376.69**	**(5,674.93)**	**118,701.76**
	Total - ASSETS		**172,299.71**	**(13,742.18)**	**158,557.53**
I.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity Share Capital		1,351.52	-	1,351.52
	(b) Other Equity	1-9	40,824.78	(10,228.20)	30,596.57
	(c) Share of Minority Interest				-
	Equity		**42,176.29**	**(10,228.20)**	**31,948.09**
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		16,598.59	(0.00)	16,598.59
	(ii) Other Financial liabilities			-	-
	(b) Deferred Tax Liability (net)	8,2	181.46	(102.12)	79.34
	(c) Provisions	2	126.63	(72.79)	53.84
	Non Current Liabilities		**16,906.69**	**(174.92)**	**16,731.77**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2	68,170.09	(2,165.74)	66,004.35
	(ii) Trade Payables	2	24,804.23	(623.31)	24,180.92
	(iii) Other Financial liabilities	4,2	7,209.68	(57.45)	7,152.23
	(b) Other Current Liabilities	2	12,514.15	(492.55)	12,021.60
	(c) Provisions		518.57	(0.00)	518.57
	Current Liabilities		**113,216.73**	**(3,339.06)**	**109,877.67**
	Total - EQUITY AND LIABILITIES		**172,299.71**	**(13,742.18)**	**158,557.53**

Reconciliation of total comprehensive income for the year ended March 31, 2016

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind As
REVENUE				
Revenue from operations (Gross)	2	87,515.67	3,663.29	83,852.38
Other Income	1,2	64.48	(5.66)	70.14
Total Revenue		**87,580.15**	**3,657.63**	**83,922.52**

(All amounts in ` Lakhs, unless otherwise stated)

EXPENSES				
a) Cost of materials consumed	2	48,395.40	3,601.08	44,794.32
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2	16,958.67	(0.00)	16,958.67
c) Purchase of Traded Goods	2	472.62	422.28	50.34
d)Excise Duty	2	3,173.87	0.00	3,173.87
e) Employee benefits expense	9,2	4,195.84	183.09	4,012.75
f) Finance Costs	7,2	9,857.66	(842.10)	10,699.76
g) Depreciation and amortisation expense	2	2,115.32	151.63	1,963.69
h) Other Expenses	4,6,2	7,995.06	(621.64)	8,616.70
Total Expenses		**93,164.44**	**2,894.34**	**90,270.10**
Profit before exceptional and extraordinary items and tax		(5,584.30)	763.28	(6,347.58)
Exceptional Items				
Profit/(loss) before tax		(5,584.30)	763.28	(6,347.58)
Tax Expense				
Current Tax		-	-	-
Deferred Tax	8,2	(1,085.26)	1,181.35	(2,266.61)
Less: MAT credit entitlement				-
Net Profit after Tax		**(4,499.04)**	**(418.07)**	**(4,080.97)**
Share of Profit /(Loss) from joint venture	2		350.11	(350.11)
Non Controlling Interest	**2**	**(0.73)**	(0.73)	-
Net Profit / (Loss) after tax,non-controlling interest and share of profit/(loss) from joint venture		(4,499.76)	(68.68)	(4,431.08)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
a) Remeasurement of post employment benefit obligations	9	-	(4.06)	4.06
b) Income Tax on above	8	-	(1.41)	1.41
Total other comprehensive income		-	(2.65)	2.65
Total comprehensive income for the period		**(4,499.76)**	**(66.03)**	**(4,433.73)**

Reconciliation of Cash Flow for the year ended March 31, 2016

	Note No	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind As
Net Cash Inflow / (Outflow) from Operating Activities	2	13,283.92	6,770.08	6,513.84
Net Cash inflow / (outflow) from Investing Activities	2	(4,262.94)	(1,331.05)	(2,931.89)
Net Cash inflow / (outflow) from Financing Activities	2	(10,990.14)	(5,246.10)	(5,744.04)
Net Cash inflow / (outflow)		**(1,969.16)**	**192.93**	**(2,162.09)**
Cash and Cash Equivalents at the beginning of the year	2	2,512.20	52.48	2,459.72
Cash and Cash Equivalents at the end of the year		**543.04**	**245.42**	**297.62**

(All amounts in ` Lakhs, unless otherwise stated)

(iv) Reconciliation of Total Equity as at 31 March 2016 and 1 April 2015

Particulars	Note	As on 1 April 2015	As on 31 March 2016
Net worth under IGAAP		**47,154.78**	**42,176.29**
Summary of Ind AS adjustments			
Fair valuation of investments in mutual funds	1	1.12	0.84
Fair valuation of investment in quoted equity shares	1	7.73	17.40
Equity method of accounting of Joint Venture	2	644.01	1,143.17
Proposed dividend on equity shares and tax thereon reversed to retained earnings	3	81.33	-
Accounting for derivative and foreign exchange differences	4	146.20	(67.03)
Impairment of trade receivables as per expected credit loss model	5	(3,487.65)	(3,487.65)
Remeasurement cost of acquiring a contract	6	(336.37)	(1,067.29)
Other impact	7	205.90	96.85
Deferred tax on above adjustments	8	(1,008.67)	127.62
Fair valuation as deemed cost for Property, Plant and Equipment and Capital work in progress:	10	(6,992.13)	(6,992.13)
Total Ind AS adjustments		**(10,738.52)**	**(10,228.20)**
Net worth under Ind AS		**36,416.27**	**31,948.09**

Reconciliation of Comprehensive income for the year ended on 31 March 2016

Particulars	Note	As on 31 March 2016
Net Profit/(Loss) under IGAAP		**(4,499.76)**
Summary of Ind AS adjustments		
Fair valuation of investments in mutual funds	1	(0.28)
Fair valuation of investment in quoted equity shares	1	9.67
Equity method of accounting of Joint Venture	2	15.52
Accounting for derivative and foreign exchange differences	4	(213.23)
Remeasurement cost of acquiring a contract	6	(730.92)
Other impact	7	(109.05)
Deferred tax on above adjustments	8	1,136.28
Remeasurement of defined benefit liabilities	9	(61.17)
Total Ind AS adjustments		**46.82**
Net Profit/(Loss) under IGAAP under Ind AS		**(4,452.94)**

Notes to the reconciliation:

1 **Fair valuation of investments in mutual funds, quoted and unquoted equity shares**

Under previous GAAP, investments in mutual funds, quoted and unquoted equity shares were classified as long term investments and measured at cost reduced for diminution of permanent in nature.

Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss.

2 **Investment in Joint Ventures:**

Under previous GAAP, the interests in joint ventures were consolidated on proportionate basis. Under Ind AS, the Group has accounted for its interests in the joint ventures using 'equity method' set out in Ind AS 28 'Investments in associates and joint ventures'. This has resulted in derecognition of the carrying amounts of assets and liabilities previously consolidated line by line and, in recognition of their net aggregate amounts so derecognised as initial investments on date of transition to Ind AS. The initial investments are increased / reduced by the Groups share of profits / loss and any distribution (such as dividend) after the transition date. The effect of these is reflected in other equity, Consolidated profit or loss and Consolidated cash flows.

3 **Proposed dividend**

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

(All amounts in ` Lakhs, unless otherwise stated)

In the case of the Group, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

4 **Accounting for derivative and foreign exchange differences:**

Ind AS 109 requires all derivatives to be measured at fair value as per Ind AS 113 on the reporting date with both unrealised gains and losses being recognised in the statement of profit and loss for the period in which such changes arise, unless hedge accounting is applied. Accordingly the Group has fair valued foreign currency forward contracts outstanding as at transition date and as at 31 March 2016 and recognised gain / loss in the retained earnings and statement of profit and loss respectively and corresponding effect is given to asset or liability for gain and loss respectively, as Derivative Asset and Derivative liability.

Under Ind AS, the Group has restated foreign currency trade receivables at the spot rate on the reporting date reversing the effect of restatements done at forward rate under previous GAAP.

5 **Trade receivables:**

Under Indian GAAP, the Group had recognised provision on trade receivables based on the expectation of the Group. Under Ind AS, the Group provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

6 **Cost of acquiring a contract:**

Under Indian GAAP, cost paid to acquire a contract was charged to profit and loss account as and when the sales occurred or the billing was made. Under Ind AS, since revenue based amortisation is not permitted the cost is charged to profit and loss account over the period of sales contract or based on percentage of work completed.

7 **Interest bearing loans and borrowings:**

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan.

8 **Other deferred tax adjustments :**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

9 **a). Share based payments :**

Under Indian GAAP, the Group recognised only the intrinsic value for the long-term incentive plan as an expense. Ind-AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

b). Remeasurement of defined benefit liabilities:

Under previous GAAP, the Group recognised remeasurement of defined benefit plans under profit or loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

10 **Fair valuation as deemed cost for Property, Plant and Equipment and Capital work in progress:**

The Group have considered fair value of capital work in progress of one of its subsidiaries as on date of transition as its deemed cost. And in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depletion and reversal of impairment are reflected in the Statement of Profit and Loss.

43A Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the Parent company has only one reportable segment as follows:

- Transmission and Distribution Segment within Power Sector

The Chairman of the Parent company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Parent company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

(All amounts in ` Lakhs, unless otherwise stated)

B. Geographic information

The geographic information analyses the Group's revenue from Group's country of domicile and other countries.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from the Country of Domicile- India	79,033.25	72,678.57
Revenue from foreign countries	7,704.59	11,173.81

B. Information about major customers

Revenue from major customers of the Group was ` 25820.41 lakhs is 29.77% of total sales ( ` 37132.66 lakhs is 44.31%of total sales)

43B Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

44 RELATED PARTY DISCLOSURE AS PER IND AS 24

A Name of the related parties with whom transactions were carried out during the year

(i) Joint Ventures

Shyam Emco Infrastructure Limited
Kalinga Energy & Power Limited
PT Vardhaman Logistics
PT Vardhaman Mining Services
Rabaan (s) Pte. Limited.
PT Bina Insan Sukses Mandiri

(ii) Association of Persons

Arki Aviation

B Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) Key Management Personnel and their Relatives

Mr. Rajesh S. Jain
Mr. Shailesh S. Jain
Ms. Meenakshi Jain
Ms. Ratna S. Jain

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

Emco Foundation
Emco Investments Private Limited

C List of Transaction with Related Party

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March		
	2017	2016	2017	2016	2015
Business Advance given					
Joint venture	140.70	520.40	1,417.56	1,477.24	2,345.34
Entity having significant influence over the company	1,400.00	-	7.05	-	-
Business Advance received back					
Joint venture	107.20	40.02	-	-	-
Entity having significant influence over the company	1,400.00	-	-	-	-
Compensation paid to relative of key Managerial personnel					
Short term employee benefits*	32.86	33.26	-	-	-
Rent and Compensation					
Relative of Key managerial personnel	33.83	35.48	2.84	-	-
Rent Deposit given					
Relative of Key managerial personnel	-	-	100.00	100.00	100.00
Director Sitting Fees					
Key managerial personnel	1.60	1.60	-	-	-

(All amounts in ` Lakhs, unless otherwise stated)

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March		
	2017	2016	2017	2016	2015
Expenses incurred					
JV Company	5.70	-	1.08	-	22.23
Entity having significant influence over the company	86.08	39.20	51.08	10.38	22.64
Expenses recovered					
Joint Venture	4.62	-	-	-	-
Donation					
Entity having significant influence over the company	11.00	21.50	-	-	-
Interest income					
Entity having significant influence over the company	7.05	-	7.05	-	-

*This aforesaid amount does not includes amount in respect of gratuity and leave as the same is not determinable.

45 Additoinal disclosure as per requirement of Schedule III

For Year ended 31-Mar-2017

Sr. No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in OCI		Share in Total comprehensive income	
		As a % of Consolidated Net Assets	Amounts	As a % of Consolidated Net Assets	Amounts	As a % of Consolidated Net Assets	Amounts	As a % of Consolidated Net Assets	Amounts
	Parent Company								
1	Emco Ltd	138.92%	37,566.27	104.41%	(6,851.76)	100.00%	(4.25)	104.42%	(6,856.01)
	Indian Subsidiaries								
1	Emco Renewable Energy Ltd	0.02%	5.35	0.00%	0.28			0.00%	0.28
2	Shekhawati Transmission Service Company Ltd	5.02%	1,356.49	0.00%	(0.12)			0.00%	(0.12)
3	Emco Power Ltd	1.92%	517.84	0.00%	(0.28)			0.00%	(0.28)
4	Emco Infrastructure Ltd	-0.01%	(1.40)	0.01%	(0.57)			0.01%	(0.57)
5	Emco Transmission Networks Ltd	0.00%	(0.66)	0.00%	(0.18)			0.00%	(0.18)
	Foreign Subsidiaries							0.00%	-
1	Emco Overseas Pte. Ltd	-36.93%	(9,985.32)	23.46%	(1,539.20)			23.47%	(1,539.20)
2	PT Setenco Investa Niaga	-34.42%	(9,306.14)	-12.07%	789.81			-12.08%	789.81
3	EMCO Global DMCC	-0.59%	(159.38)	2.79%	(182.91)			2.79%	(182.91)
	Joint Ventures (Investment as per the equity method)								
1	Shyam Emco Infrastructure Limited	0.02%	5.38	0.00%	-			0.00%	-
2	Kalinga Energy & Power Limited	0.00%	-	0.00%	(0.07)			0.00%	(0.07)
3	Rabaan (S) Pte Ltd	0.00%	0.09	-0.03%	2.27			-0.03%	2.27
4	PT Vardhaman Mining Services	0.00%	-	0.00%	-			0.00%	-
5	PT Vardhaman Logistics	0.30%	81.02	0.00%	(0.25)			0.00%	(0.25)
6	PT Bina Insan Sukses Mandiri	25.74%	6,961.36	-18.57%	1,218.47			-18.58%	1,218.47
	Total		**27,040.91**		**(6,564.50)**		**4.25**		**(6,568.75)**

46 Information of interest of the Group in its equity accounted investees:

	March 31, 2017	March 31, 2016	April 1, 2015
Interest in Joint Ventures	7,047.85	6,898.41	6,931.99
Total	**7,047.85**	**6,898.41**	**6,931.99**

[A] Interest in Joint Ventures

(I) List of material Joint Ventures of the Group

		Proportion of Ownership Interest		
Name	**Country of Incorporation**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
PT Bina Insan Sukses Mandiri	Indonesia	37.36%	37.36%	37.36%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

(All amounts in ` Lakhs, unless otherwise stated)

The following table comprises the financial information of the Group's material Joint Venture and their respective carrying amount.

Particular	March 31, 2017	March 31, 2016	April 1, 2015
	P T Bina Insan Suskes Mandiri	P T Bina Insan Suskes Mandiri	P T Bina Insan Suskes Mandiri
% Ownership interest	**37.37%**	**37.37%**	**37.37%**
Total current assets	6,422.50	5,675.60	7,232.20
Total non-current assets	3,893.88	3,493.25	3,583.33
Total assets	**10,316.38**	**9,168.85**	**10,815.53**
Total current liabilities	9,052.67	8,815.68	9,570.42
Total non-current liabilities	166.60	126.57	97.85
Total liabilities	**9,219.27**	**8,942.26**	**9,668.28**
Net Assets (100%)	1,097.11	226.59	1,147.25
Group's share of net assets	**409.95**	**84.67**	**428.69**
Carrying amount of interest in joint venture	6,961.36	6,809.78	6,867.53
Goodwill on Acquistion	6,551.40	6,725.11	6,438.84
Carrying amount of interest in joint venture excluding goodwill	**409.96**	**84.67**	**428.69**
Revenues	20,783.46	9,814.94	
Expenses	17,522.61	10,752.71	
Profit for the year	**3,260.85**	**(937.78)**	
% Share of Profit	**37.37%**	**37.37%**	
Emco's share of profit	**1,218.47**	**(350.42)**	
Considered in Consolidation	**1,218.47**	**(350.42)**	

47 CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31st March 2017	Year ended 31st March 2016	As at 1st April 2015
I)	**Contingent Liabilities**			
	(to the extent not provided for)			
a)	Bank Guarantees outstanding as at the year end (gross) -(Secured)	**59,141.30**	72,380.69	69,472.33
b)	Letters of Credit outstanding as at the year end (Secured)	**1,912.21**	6,184.58	4,994.92
II)	**Legal Disputes**			
a)	Disputed amount of Sales Tax.	**3,344.27**	3,175.33	784.01
b)	Claim made by workmen for re-instatement. Matter Subjudice.	**Amount not ascertainable**		
c)	Disputed amount of Income Tax.	**97.97**	84.38	117.44
d)	Disputed amount of Excise duty	**3,918.18**	3,141.63	2,773.40
e)	Disputed amount of Service tax.	**249.77**	258.57	238.80
f)	Disputed amount of Stamp duty.	**84.39**	84.39	84.39
g)	Claims against Company not acknowledged as debt	**834.73**	975.88	857.51
III)	**Other Commitments**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**38.13**	70.51	9,765,319.00

48 PROVISION FOR WARRANTIES

Warranty Provision			
Opening Balance	**395.11**	568.63	
Provision for the year	**(167.22)**	(105.13)	
Expenses during the year	**9.26**	68.39	
Closing Balance	**218.63**	395.11	

Note:

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products.

(All amounts in ` Lakhs, unless otherwise stated)

49 DISCLOSURE UNDER IND - AS 11 'CONSTRUCTION CONTRACTS'

	As at 31st March, 2017	As at 31st March, 2016
Contract Revenue recognised as revenue for the year ended	35,330	37,690
Aggregate amount of contract costs incurred and recognised profits (less sum of recognised losses and progress billings) up to 31st March for all the contracts in progress	109,503	242,402
The amount of customer advances outstanding for contracts in progress as at 31st March	1,337	3,323
The amount of retentions due from customers for contracts in progress as at 31st March	8,026	16,880

50 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

51 As at March 31, 2017, credit facilities are overdrawn including interest to the extent of ` 32080.44 lakhs and term loans instalments are due for payment to the extent of ` 1,304.38 lakhs and Interest on term loan of ` 646.69 lakhs is accrued and due as at year end. Company has approached lenders to restructure the debts including the option of Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) with the reference date of November 16, 2016. Management is confident of a debt resolution and believes its implementation together with realisations from the sale of non-core assets will reduce the debt, thereby reducing the finance cost, improve the liquidity and profitability of the company's operations in future and therefore, these financial statements have been prepared on going concern basis.

52 In the of one of the subsidiary companies, Shekhawati Transmission Service Company Limited, the financial closure of Project being implemented as per the Concession Agreement is delayed. Inspite of the delays, management is confident about the technical and financial viability of the project; obtaining all the requisite permissions, clearances; achieving the financial closure and successful execution of the project. Accordingly accounts for the year have been drawn on going concern basis.

53 Balances of Trade Receivable , Trade Payable, Loans and Advances and other balances are as per books of account and subject to confirmation and reconciliation, if any. In the opinion of the management balances shown under Sundry Debtors, Accrued value of work done and Loans and Advances have approximately the same realisable value as shown in the accounts.

54 Impairment testing of Goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on Higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment. Goodwill is arising on account of acquisition of subsidiary company i.e. Shekhawati Transmission Service Company Ltd.

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

55 As per Section 135 of the Companies Act 2013, nothing is to be incurred on corporate social responsibility activity, however the company has spent ` 11.52 Lakhs during the year.

Details of Amount spent towards CSR given below:

(` in Lakhs)

Particulars	2016-17	2015-16
Education	11.08	19.65
Others	0.44	0.18
Total	**11.52**	**19.83**

56 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 27, 2017.

The accompanying notes form an integral part of financial statements
As per our report of even date

For and on behalf of Board

For P. RAJ & CO.
Chartered Accountants
Firm Registration No. 108310W

Sd/-
S. V. Chheda
Partner
Membership No. 103938
Mumbai, 27th May, 2017

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

Sd/-
Amit Chaturvedi
Partner
Membership No. 103141
Mumbai, 27th May, 2017

Sd/-
R. S. Jain
Chairman
DIN:00005829

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

Sd/-
Amit Sudhakar
Chief Financial Officer
ICAI.M.No.90429

Sd/-
Ganesh Tawari
Company Secretary
ICSI. M.No. A12896

Notes

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