

May 30, 2019

To,
The Department of Corporate Services,
BSE Limited
P J Towers,
Dalal Street, Fort
Mumbai - 400001

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (East), Mumbai 400 051

BSE: Security Code: 504008(Equity)

NSE: EMCO

Sub: Outcome of the Board Meeting

Dear Sir,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at their meeting held today has *inter-alia*, considered and approved the followings items:

1. Standalone Audited Financial Results for the quarter and Financial Year ended March 31, 2019 and Consolidated Audited Financial Results of the Company for the Financial Year ended March 31, 2019. (copy of the results are enclosed herewith)
2. Auditors' Report on Audited Financial Results- Standalone and Consolidated. (copy of the results are enclosed herewith)
3. Declaration (for Audit Report with unmodified opinion)- Standalone and Consolidated (copy of the results are enclosed herewith).

The meeting of Board of Directors commenced at 2:00p.m. and concluded at 7.40p.m.

Kindly take note of the same.

Thanking you,
Yours faithfully,
For EMCO LIMITED



Ganesh Tawari
Company Secretary & Compliance Officer



Encl.: as above



EMCO LIMITED

Registered Office : N-104, MIDC Area, Village - Mehrun, Jalgaon - 425 003, Maharashtra, India.

Tel- 257 2272 462, Email - emco.corporate@emco.co.in

Corporate Office : 1st Floor, Piramal Tower, Peninsula Corporate Park, G. K. Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India.

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS
FOR THE QUARTER & YEAR ENDED 31ST MARCH 2019
CIN:L31102MH1964PLC013011**

(₹ in Lakhs)

Sr. No.	PARTICULARS	STANDALONE				
		Quarter ended			Year Ended	
		31-Mar-2019 Audited Refer Note-8	31-Dec-2018 Unaudited	31-Mar-2018 Audited	31-Mar-2019 Audited	31-Mar-2018 Audited
1	Income					
	(a) Gross Sales/ Income from Operations	4,189.91	3,727.31	9,503.54	21,300.75	34,993.25
	(b) Other Income	-	21.03	(0.05)	5.77	5.63
	Total Income (a + b)	4,189.91	3,748.34	9,503.49	21,306.52	34,998.88
2	Expenses					
	(a) Cost of materials consumed	6,626.38	4,287.31	11,605.60	20,489.83	27,569.30
	(b) Purchases of Stock in Trade	-	-	-	-	4,209.89
	(c) Changes in inventories of finished goods and work-in-progress	1,682.17	(190.96)	235.70	3,283.97	(1,109.82)
	(d) Excise duty recovered	-	-	-	-	394.97
	(e) Employee benefits expense	641.08	645.32	830.40	2,776.84	3,713.20
	(f) Finance costs (Net)	5,614.03	3,573.26	3,566.13	15,695.78	13,559.49
	(g) Depreciation and amortisation expense	394.88	406.11	412.96	1,621.43	1,672.22
	(h) Other expenses	23,501.81	802.09	4,773.88	25,685.52	8,281.33
	Total Expenses (a) to (h)	38,460.35	9,523.13	21,424.67	69,553.37	58,290.58
3	Profit / (Loss) before exceptional item and tax(1-2)	(34,270.44)	(5,774.79)	(11,921.18)	(48,246.85)	(23,291.70)
4	Exceptional Items	-	-	-	-	-
5	Profit / (Loss) before tax	(34,270.44)	(5,774.79)	(11,921.18)	(48,246.85)	(23,291.70)
6	Tax Expenses	(10,152.78)	(1,701.66)	(6,085.95)	(14,333.20)	(7,269.46)
7	Net Profit / (Loss) for the period	(24,117.66)	(4,073.13)	(5,835.23)	(33,913.65)	(16,022.24)
8	Other Comprehensive Income (OCI) (Net of tax)	-	-	61.50	2.74	61.50
9	Total Comprehensive Income (TCI)	(24,117.66)	(4,073.13)	(5,773.73)	(33,910.91)	(15,960.74)
10	Paid-up Equity Share Capital (Face value of ₹2 each)	1,358.19	1,358.19	1,358.19	1,358.19	1,358.19
11	Other Equity	-	-	-	(7,309.77)	29,302.43
12	Earnings Per Share (EPS)*					
	1. Basic EPS after exceptional items (₹/share)	(35.51)	(5.99)	(8.61)	(49.94)	(23.63)
	2. Diluted EPS after exceptional items (₹/share)	(35.51)	(5.99)	(8.61)	(49.94)	(23.63)
	(* Not Annualized for the Quarter)					



Standalone Statement of Assets & Liabilities as on

(₹ in Lakhs)

Particulars	Standalone	Standalone
	31-Mar-19	31-Mar-18
A. ASSETS	Audited	Audited
1 Non-Current Assets		
(a) Property Plant & Equipment	19,629.04	20,730.96
(b) Capital work in progress	142.02	226.18
(c) Other intangible assets	727.82	1,140.05
(d) Investment in Subsidiaries	9,937.29	11,137.29
(e) Financial Assets		
(i) Investments	713.29	979.39
(ii) Loans	8.60	8.50
(iii) Others	170.80	272.00
(f) Deferred Tax Asset(Net)	24,908.31	10,573.86
(g) Other Assets	62.38	62.38
Sub-Total of Non Current Assets	56,299.55	45,130.61
2 Current assets		
(a) Inventories	10,388.88	16,258.06
(b) Financial Assets		
(i) Trade receivables	32,782.42	56,934.32
(ii) Cash & Cash equivalents	145.22	1,119.54
(iii) Other bank balances	454.30	387.78
(iv) Loans	15,067.50	14,288.22
(v) Others	138.10	136.77
(c) Current tax asset	2,771.89	2,126.97
(d) Other Assets	16,330.66	26,309.80
Sub-Total Current Assets	78,078.97	117,561.46
Total - ASSETS	134,378.52	162,692.07
B. EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity Share Capital	1,358.18	1,358.19
(b) Other Equity	(7,309.77)	29,302.43
Sub-Total Equity	(5,951.59)	30,660.62
2 Non-Current Liabilities		
(a) Financial Liabilities		
Borrowings	666.96	2,268.65
(b) Provisions	144.64	71.96
Sub-Total Non Current Liabilities	811.60	2,340.61
3 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	87,645.99	82,754.67
(ii) Trade Payables		
Dues to micro and small enterprises	2,921.48	340.51
Others	11,493.09	17,862.66
(iii) Other Financial liabilities	28,344.84	16,461.35
(b) Other Liabilities	8,864.16	11,957.68
(c) Provisions	248.95	313.97
Sub-Total Current Liabilities	139,518.51	129,690.84
Total - EQUITY AND LIABILITIES	134,378.52	162,692.07



Notes

- 1 The audited financial statement for the year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May, 2019 and have been subjected with limited review by the statutory auditors of the company.
- 2 The Company has only one reportable Segment i.e. Transmission and Distribution Segment within Power Sector as per Ind AS- 108.
- 3 The Company has adopted Ind AS 115 "Revenue from Contract with customers" effective April 01, 2018 applying the modified retrospective approach to contracts that were not completed as on April 01, 2018. Under the transition provision of standard, Company has debited ₹ 2,695.81 Lakhs in retained earnings. The Comparatives has not been restated and hence are not comparable with previous years.
- 4 As at 31st March, 2019, Company has overdrawn credit facilities including interest of ₹ 67,588.32 Lakhs and other borrowings of ₹ 5,878.98 Lakhs that are due for repayment along with interest payable on such borrowings of ₹ 1,864.76 Lakhs. Company's operation have been curtailed and has overdue liabilities towards suppliers, employees and statutory dues. The Company's proposal for restructuring of debts in accordance with RBI circular dated 12th February, 2018 on resolution of stressed assets has been approved by 7 lenders, which constitutes 91% of the aggregate debts. Hon'ble Supreme Court vide an order dated 2nd April, 2019 held that aforesaid RBI circular is ultra vires of section 35AA of Banking Regulation Act, 1949. Bankers are awaiting revised circular/guidelines from RBI for resolution of stressed assets to resume the restructuring process. Bank Guarantee given by prospective bidder under the restructuring scheme has expired. On issue of revised circular/guidelines, the Company would further engage with the lenders to resume the restructuring process. Such debt restructuring along-with the sale of non-core assets will result into improved liquidity, scaling up of operations and profitability/cashflows and therefore these financial statements are prepared on going concern basis.
- 5 Trade receivables include ₹ 13,002.12 lakhs due on account of outstanding dues and liquidated damages and other deductions withheld by them. The company has taken legal action for recovery of these receivables and expects to recover the same based on the legal advice.
- 6 Inventories as at 31 March, 2019 includes ₹ 2,512.21 lakhs at closed/completed project sites which are lying unused from a considerable period of time. In view of curtailed operations and delay in resolution process, management has made provision of ₹1,435.56 Lakhs towards the expected diminution in the value of such inventories arising due to deterioration.
- 7 As at March 31, 2019, Company has investment in equity shares of ₹1,380.01 lakhs and has given loan of ₹ 122.83 lakhs to one its wholly owned subsidiary, during the year a customer of subsidiary has invoked Contract performance bank guarantee furnished by Company on behalf of subsidiary of ₹ 361 Lakhs for delay in commissioning of project. Subsidiary has filed its appeal with Appellate Tribunal against this and management is hopeful to get favourable order. In spite of delay and levy of liquidated damages, management believes that project is financially viable. Management continues to take effective steps to achieve financial closure of project and is confident of its successful execution. Conservatively management has made provision for impairment of ₹1,200 lakhs against the said investment.
- 8 The figures of the last quarter are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the third quarter of the respective financial year.
- 9 Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current quarter's classification.

Place : Mumbai
Date : 30th May, 2019

www.emco.co.in



For EMCO LIMITED

Rajesh S. Jain
Chairman
DIN:00805829



Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,
The Board of Directors of
EMCO Limited

1. We have audited the accompanying Statement of Standalone Financial Results of **EMCO Limited** ("the Company") for the quarter and year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The standalone financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of standalone financial results for the nine month period ended December 31, 2018, the audited annual standalone financial statement as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine months period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone financial statement as at and for the year ended March 31, 2019; and relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss including other comprehensive income and other financial information of the Company for the year ended March 31, 2019.



Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

4. Material Uncertainty Related to Going Concern

As stated in Note no. 4 of the statement, Company has incurred operational losses resulting into erosion of considerable net worth. As at the year end, Company has overdrawn credit facilities including interest of Rs. 67,588.32 Lakhs and other borrowings of Rs. 5,878.98 Lakhs that are due for repayment along with interest payable on such borrowings of Rs. 1,864.76 Lakhs. Also Company's operation has been curtailed and has overdue liabilities towards suppliers, employees and statutory dues. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern and for the reason stated in the note, the management is of the view that going concern accounting is appropriate.

Our opinion is not modified in respect of the same.

5. Matter of Emphasis

- i) We draw attention to Note no. 5 of the statement in respect of the outstanding dues and liquidated damages / deduction made by customers aggregating to Rs. 13,002.12 Lakhs, which are carried as Trade Receivables. The company had filed legal case 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.
- ii) We draw attention to Note no. 6 of the statement relating to inventory of Rs. 2,512.21 Lakhs as at 31st March, 2019 which are lying unutilised for a considerable period of time. In view of curtailed operations and delay in resolution process, management has made provision of Rs. 1,435.56 Lakhs towards the expected diminution in the value of such inventories arising due to deterioration. We have not carried out physical verification of the materials lying at various project sites and have relied on the confirmations given by site in - charge.
- iii) We draw attention to Note no. 7 of accompanying statement which pertains to equity investment of Rs. 1,380.01 Lakhs in and receivables towards loan advanced of Rs. 122.83 Lakhs from one of its wholly owned subsidiary. For the reasons mentioned in the said note, management has made provision for impairment of Rs. 1,200 Lakhs against the said investment.

Our opinion is not modified in respect of the above said matters.



Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

6. Other Matters

Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review, as required under the Regulation and the Circular.

Our Opinion is not modified in respect of same.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Reg. No.: 101720W/W100355



Amit Chaturvedi
Partner
Membership No. 103141

Place: Mumbai
Date: May 30, 2019



EMCO LIMITED

Registered Office : N-104, MIDC Area, Village - Mehrun, Jalgaon - 425 003, Maharashtra, India.

Tel- 257 2272 462, Email - emco.corporate@emco.co.in

Corporate Office: 1st Floor, Piramal Tower, Peninsula Corporate Park, G. K. Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India.

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED 31ST MARCH 2019
CIN:L31102MH1964PLC013011**

(₹ in Lakhs)

Sr. No.	PARTICULARS	Consolidated	
		Year ended	
		31-Mar-2019 Audited	31-Mar-2018 Audited
1	Income		
	(a) Gross Sales/ Income from Operations	22,985.26	39,564.80
	(b) Other Income	3,005.76	3,045.67
	Total Income (a + b)	25,991.02	42,610.47
2	Expenses		
	(a) Cost of materials consumed	22,043.83	31,357.30
	(b) Purchases of Stock in Trade	-	4,209.89
	(c) Changes in inventories of finished goods and work-in-progress	3,283.97	(1,109.82)
	(d) Excise duty recovered	-	394.99
	(e) Employee benefits expense	3,083.84	3,886.20
	(f) Finance costs (Net)	16,305.33	14,769.04
	(g) Depreciation and amortisation expense	1,621.43	1,672.22
	(h) Other expenses	27,086.06	9,426.79
	Total Expenses (a) to (h)	73,424.46	64,606.61
3	Profit / (Loss) before exceptional item and tax(1-2)	(47,433.44)	(21,996.14)
4	Exceptional Items (Refer Note 10)	-	-
5	Profit / (Loss) before tax	(47,433.44)	(21,996.14)
6	Tax Expenses / Deferred Tax	(14,328.69)	(7,267.45)
7	Net Profit / (Loss) for the year	(33,104.75)	(14,728.69)
8	Share of Profit / (Loss) from joint venture	(1,887.48)	3,554.94
9	Net Profit / (Loss) after tax, non-controlling interest and share of profit/(loss) from joint venture	(34,992.23)	(11,173.75)
10	Other Comprehensive Income (OCI) (Net of tax)	(814.15)	540.05
11	Total Comprehensive Income (TCI)	(35,806.38)	(10,633.70)
12	Net Profit attributable to:		
	(a) Owners of the Company	(34,992.23)	(11,173.75)
	(b) Non Controlling Interest	-	-
13	Other Comprehensive Income attributable to:		
	(a) Owners of the Company	814.15	(540.05)
	(b) Non Controlling Interest	-	-
14	Total Comprehensive Income		
	(a) Owners of the Company	(35,806.38)	(10,633.70)
	(b) Non Controlling Interest	-	-
15	Paid-up Equity Share Capital (Face value of ₹2 each)	1,358.19	1,358.19
16	Other Equity	(29,988.18)	11,355.98
17	Earnings Per Share (EPS)*		
	(b) 1. Basic EPS after exceptional items (₹/share)	(51.53)	(16.48)
	2. Diluted EPS after exceptional items (₹/share)	(51.53)	(16.48)
	(* Not Annualized for the Quarter)		



Consolidated Statement of Assets & Liabilities			(₹ in Lakhs)
	Particulars	Consolidated	
		As at 31-Mar-19	As at 31-Mar-18
A.	ASSETS	Audited	Audited
1	Non-Current Assets		
	(a) Property Plant & Equipment	19,672.26	20,775.68
	(b) Capital work in progress	1,537.33	2,390.53
	(c) Goodwill	22.53	22.53
	(d) Other intangible assets	705.29	1,140.05
	(e) Investment in Joint Ventures	1,626.61	6,197.36
	(f) Financial Assets		
	(i) Investments	714.54	980.56
	(ii) Others	180.80	282.00
	(g) Deferred Tax Asset(Net)	24,908.31	10,573.86
	(h) Other Assets	1,395.09	1,395.09
	Sub-Total of Non Current Assets	50,762.76	43,757.66
2	Current assets		
	(a) Inventories	10,388.88	16,258.06
	(b) Financial Assets		
	(i) Trade receivables	32,658.35	57,275.64
	(ii) Cash & Cash equivalents	153.97	1,243.32
	(iii) Other bank balances	464.23	397.40
	(iv) Loans	1,464.15	1,176.75
	(v) Others	139.10	137.77
	(c) Current tax asset	2,771.99	2,127.08
	(d) Other Assets	19,801.10	29,947.93
	Sub-Total Current Assets	67,841.77	108,563.95
	Total - ASSETS	118,604.53	152,321.61
B.	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Equity Share Capital	1,358.19	1,358.19
	(b) Other Equity	(29,988.18)	11,355.98
	(c) Non Controlling Interest	0.26	-
	Sub-Total Equity	(28,629.73)	12,714.17
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	Borrowings	666.96	2,268.65
	(b) Provisions	144.64	71.96
	Sub-Total Non Current Liabilities	811.60	2,340.61
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	87,648.82	82,756.75
	(ii) Trade Payables		
	Dues to micro and small enterprises	2,921.48	714.34
	Others	12,032.87	17,532.06
	(iii) Other Financial liabilities	34,189.00	22,135.82
	(b) Other Liabilities	9,289.55	13,813.89
	(c) Provisions	340.95	313.97
	Sub-Total Current Liabilities	146,422.67	137,266.83
	Total - EQUITY AND LIABILITIES	118,604.53	152,321.61



Notes

- 1 The audited financial statement for the year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May, 2019 and have been subjected with limited review by the statutory auditors of the company.
- 2 The Company has only one reportable Segment i.e. Transmission and Distribution Segment within Power Sector as per Ind AS- 108.
- 3 The Company has adopted Ind AS 115 "Revenue from Contract with customers" effective April 01, 2018 applying the modified retrospective approach to contracts that were not completed as on April 01, 2018. Under the transition provision of standard, Company has debited ₹ 2,695.81 Lakhs in retained earnings. The Comparatives has not been restated and hence are not comparable with previous years.
- 4 As at March 31, 2019, Company has overdrawn credit facilities including interest of ₹ 67,588.32 Lakhs and other borrowings of ₹ 5,878.98 Lakhs that are due for repayment along with interest payable on such borrowings of ₹ 1,864.76 Lakhs. Company's operation have been curtailed and has overdue liabilities towards suppliers, employees and statutory dues. The Company's proposal for restructuring of debts in accordance with RBI circular dated 12th February, 2018 on resolution of stressed assets has been approved by 7 lenders, which constitutes 91% of the aggregate debts. Hon'ble Supreme Court vide an order dated April 2, 2019 held that aforesaid RBI circular is ultra vires of section 35AA of Banking Regulation Act, 1949. Bankers are awaiting revised circular/guidelines from RBI for resolution of stressed assets to resume the restructuring process. Bank Guarantee given by prospective bidder under the restructuring scheme has expired. On issue of revised circular/guidelines, the Company would further engage with the lenders to resume the restructuring process. Such debt restructuring along-with the sale of non-core assets will result into improved liquidity, scaling up of operations and profitability/cashflows and therefore these financial statements are prepared on going concern basis.
- 5 Trade receivables include ₹ 13,002.12 lakhs due on account of outstanding dues and liquidated damages and other deductions withheld by them. The company has taken legal action for recovery of these receivables and expects to recover the same based on the legal advice.
- 6 Inventories as at 31 March, 2019 includes ₹ 2,512.21 lakhs at closed/completed project sites which are lying unused from a considerable period of time. In view of curtailed operations and delay in resolution process, management has made provision of ₹1,435.56 Lakhs towards the expected diminution in the value of such inventories arising due to deterioration.
- 7 During the year a customer of subsidiary has invoked Contract performance bank guarantee furnished by Company on behalf of subsidiary of ₹ 361 Lakhs for delay in commissioning of project. Subsidiary has filed its appeal with Appellate Tribunal against this and management is hopeful to get favourable order. In spite of delay and levy of liquidated damages, management believes that project is financially viable. Management continues to take effective steps to achieve financial closure of project and is confident of its successful execution. Conservatively management has made provision for impairment of ₹1,200 lakhs including towards guarantee against the said capital work in progress of project being executed by subsidiary.
- 8 The figures of the last quarter are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the third quarter of the respective financial year.
- 9 Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current quarter's classification.

Place : Mumbai
Date : 30th May, 2019



www.emco.co.in



For EMCO LIMITED

Rajesh S. Jain
Chairman
DIN:00005829

Auditor's Report on annual consolidated financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of
EMCO Limited

1. We have audited the accompanying Statement of Consolidated Financial Results of EMCO Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and jointly controlled entities for the year ended March 31, 2019 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which are in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

We believe that audit evidence obtained by us is sufficient and appropriate to provide a basis for audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in paragraph 4(i) below, the Statement :

- (i) include the results of the following entities;

List of subsidiaries

- a) Emco Power Limited
- b) Emco Renewable Energy Limited
- c) Emco Infrastructure Limited
- d) Shekhawati Transmission Service Company Limited
- e) Emco Transmission Networks Limited
- f) Emco Overseas Pte Limited
- g) Emco Global DMCC
- h) PT Setenco Investa Niaga

List of joint ventures

- a) Shyam Emco Infrastructure Limited
- b) Kalinga Energy and Power Limited
- c) PT Bina Insas Sukses Mandiri
- d) Rabaan (S) Pte. Ltd
- e) PT Vardhaman Logistics
- f) PT Vardhaman Mining Services



Auditor's Report on annual consolidated financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- (iii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss including other comprehensive income and other financial information of the Group for the year ended March 31, 2019.

5. Material Uncertainty Related to Going Concern

As stated in Note no. 4 of the statement, Company has incurred operational losses resulting into erosion of considerable net worth. As at the year end, Company has overdrawn credit facilities including interest of Rs. 67,588.32 Lakhs and other borrowings of Rs. 5,878.98 Lakhs that are due for repayment along with interest payable on such borrowings of Rs. 1,864.76 Lakhs. Also Company's operation has been curtailed and has overdue liabilities towards suppliers, employees and statutory dues. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern and for the reason stated in the note, the management is of the view that going concern accounting is appropriate.

Our opinion is not modified in respect of the same.

6. Matter of Emphasis

- i) We draw attention to Note no. 5 of the statement in respect of the outstanding dues and liquidated damages / deduction made by customers aggregating to Rs. 13,002.12 Lakhs, which are carried as Trade Receivables. The company had filed legal case 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
- ii) We draw attention to Note no. 6 of the statement relating to inventory of Rs. 2,512.21 Lakhs as at 31st March, 2019 which are lying unutilised for a considerable period of time. In view of curtailed operations and delay in resolution process, management has made provision of Rs.1,435.56 Lakhs towards the expected diminution in the value of such inventories arising due to deterioration. We have not carried out physical verification of the materials lying at various project sites and have relied on the confirmations given by site in - charge.
- iii) We draw attention to Note no. 7 of the statement relating to one of the subsidiary, wherein financial closure of the project being executed by subsidiary is delayed. Considering notice of termination of contract and encashment of performance bank guarantee by its customer for delay in commissioning of project. Company has conservatively made provision of Rs.1,200 Lakhs against the capital work in progress including Rs.1,677.00 Lakhs against the performance bank guarantee. The management is confident about the technical and financial viability of the project including payment of Liquidated Damages, if any; obtaining all the requisite permissions; clearances; achieving the financial closure and successful execution of the project. Accordingly, capital work in progress of Rs.8.38 Lakhs pertaining to the project executed by subsidiary has been carried forward.

Our opinion is not modified in respect of the above said matters

