

9th February, 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 400051.

BSE: 504008
NSE: EMCO

Sub: Outcome of the Board Meeting

Dear Sir,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that the Board of Directors of the Company at their meeting held today i.e. 09th February, 2019 has *inter-alia*, considered and approved the followings items:

1. Standalone Un-Audited Financial Results for the third quarter and nine months ended 31st December, 2018 of the Company. (copy of the results are enclosed herewith)
2. Auditors' Limited Review Report on Standalone Un-Audited Financial Results for the third quarter ended 31st December, 2018 of the Company. (copy of the results are enclosed herewith)

The meeting of Board of Directors commenced at 02:00 PM and concluded at 06.15 PM.

Kindly take note of the same.

Thanking you,

Yours faithfully,

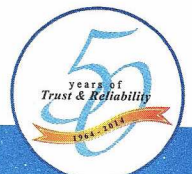
For EMCO Limited



Ganesh Tawari
Company Secretary & Compliance Officer



Encl.: as above



EMCO LIMITED

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

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2018 CIN:L31102MH1964PLC013011

(₹ in Lakhs)

Sr. No.	PARTICULARS	STANDALONE					
		Quarter ended			Nine Months Ended		Year ended
		31-Dec-2018	30-Sep-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017	31-Mar-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Gross Sales/ Income from Operations	3,727.31	4,018.57	4,052.45	17,110.85	25,489.71	34,993.25
	(b) Other Income	21.03	-	5.68	21.08	5.68	5.63
	Total Income (a + b)	3,748.34	4,018.57	4,058.13	17,131.93	25,495.39	34,998.88
2	Expenses						
	(a) Cost of materials consumed	4,287.31	3,956.24	3,884.30	13,863.45	15,963.70	27,569.30
	(b) Purchases of Stock in Trade	-	-	-	-	4,209.89	4,209.89
	(c) Changes in inventories of finished goods and work-in-progress	(190.96)	(155.48)	(984.71)	1,601.80	(1,345.52)	(1,109.82)
	(d) Excise duty recovered	-	-	-	-	394.97	394.97
	(e) Employee benefits expense	645.32	719.19	936.23	2,135.76	2,882.80	3,713.20
	(f) Finance costs (Net)	3,573.26	3,518.68	3,205.97	10,081.75	9,993.36	13,559.49
	(g) Depreciation and amortisation expense	406.11	410.28	421.90	1,226.55	1,259.26	1,672.22
	(h) Other expenses	802.09	882.46	1,228.59	2,199.03	3,507.45	8,281.33
	Total Expenses (a) to (h)	9,523.13	9,331.37	8,692.28	31,108.34	36,865.91	58,290.58
3	Profit / (Loss) before exceptional item and tax(1-2)	(5,774.79)	(5,312.80)	(4,634.15)	(13,976.39)	(11,370.52)	(23,291.70)
4	Exceptional Items	-	-	-	-	-	-
5	Profit / (Loss) before tax	(5,774.79)	(5,312.80)	(4,634.15)	(13,976.39)	(11,370.52)	(23,291.70)
6	Tax Expenses	(1,701.66)	(1,518.70)	(1,405.32)	(4,180.42)	(3,587.89)	(7,269.46)
7	Net Profit / (Loss) for the period	(4,073.12)	(3,794.10)	(3,228.83)	(9,795.97)	(7,782.63)	(16,022.24)
8	Other Comprehensive Income (OCI) (Net of tax)	-	-	-	-	-	61.50
9	Total Comprehensive Income (TCI)	(4,073.12)	(3,794.10)	(3,228.83)	(9,795.97)	(7,782.63)	(15,960.74)
10	Paid-up Equity Share Capital (Face value of ₹2 each)	1,358.19	1,358.19	1,356.85	1,358.19	1,356.85	1,358.19
11	Other Equity	-	-	-	-	-	29,302.43
12	Earnings Per Share (EPS)*						
	1. Basic EPS after exceptional items (₹/share)	(5.99)	(5.58)	(4.76)	(14.39)	(11.47)	(23.63)
	2. Diluted EPS after exceptional items (₹/share)	(5.99)	(5.58)	(4.76)	(14.39)	(11.47)	(23.63)
	(* Not Annualized for the Quarter)						

Notes

- The unaudited financial results for the quarter ended 31st December, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 9th February, 2019 and have been subjected with limited review by the statutory auditors of the company.
- The Company has only one reportable Segment i.e. Transmission and Distribution Segment within Power Sector as per Ind AS- 108.
- As at 31st December, 2018 company has overdrawn credit facilities including interest of ₹ 63,140.34 Lakhs and other borrowings of ₹ 8,602.30 Lakhs that are due for repayment along with interest payable on such borrowings of ₹ 1,868.84 Lakhs. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company's proposal for restructuring of debts has been approved by 6 banks which constitutes 84% of the total debt, such restructuring along with the sale of non-core assets will result into improved liquidity and profitability and therefore these financial statements are prepared on going concern basis.
- Trade receivables include ₹ 12,109.75 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.
- Trade receivables include ₹ 14,328.31 lakhs outstanding as at 31 March 2018 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.
- Inventories as at 31st December, 2018 includes ₹ 2,508.32 lakhs at project sites which are lying unused from a considerable period of time. Based on the technical evaluation, management is of the opinion that these inventories are in good conditions and can be utilised in future projects.
- Other Current Asset as at 31st December, 2018 includes revenues of ₹ 1106.96 lakhs recognised in earlier years under percentage completion method which are yet to be billed as per the contractual terms. These projects are almost completed and at final reconciliation stage with customers. In view of the management, the invoices would be raised on the customers as per contractual terms on hand over of the projects, completion of reconciliation procedures and amendment in contract wherever required.



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- 8 As at 31st December 2018, Company has investment in equity shares of ₹ 1380.01 lakhs and has given loan of ₹ 122.83 lakhs to one of its wholly owned subsidiary. During the previous quarter ended 30th september 2018 customer of subsidiary has invoked Contract Performance Bank Guarantee furnished by Company on behalf of the subsidiary of ₹ 361 lakhs for delay in commissioning of project and the same has been shown as recoverable from the subsidiary. 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 it's successful execution. Therefore, value of investments in and the loans to subsidiary along-with recoverable amount are carried at cost.
- 9 Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current quarter's classification.

For EMCO LIMITED

Place : Mumbai
Date : 9th February, 2019

www.emco.co.in



Rajesh S. Jain
Chairman
DIN:00005829



INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

To,
**The Board of Directors of
EMCO Limited**

1. We have reviewed the accompanying statement of unaudited financial results of EMCO Limited ("the Company") for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 ("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 ("the Regulations"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and the Circular, which is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Material Uncertainty Related to Going Concern

As stated in Note no. 2 of accompanying statement, Company has incurred operational losses resulting into erosion of considerable net worth. As at the December 31, 2018, Company has overdrawn credit facilities including interest of Rs. 63,140.34 Lakhs and other borrowings of Rs. 8,602.30 Lakhs that are due for repayment along with interest payable on such borrowings of Rs. 1,868.84 Lakhs. The above factor indicates a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, Company has approached its lenders to restructure the debts, which along with the sale of non-core assets will result into improved liquidity and profitability as stated in the said note and therefore, the management is of the view that going concern of the accounting is appropriate. Our opinion is not modified in respect of this matter.

5. Without qualifying our review opinion :-
 - a) We draw attention to Note No. 4 of accompanying statement regarding the outstanding dues and liquidated damages / deduction made by customers aggregating to Rs. 12,109.75 lakhs as at March 31, 2018, which are carried as Trade Receivables. The company has filed legal case.



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Branch : Bengaluru

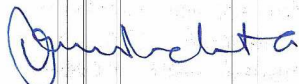
against the customers for the recovery of the same. Pending outcome of the matter which is presently unascertainable, no adjustments have been made in accompanying financial results.

- b) We draw attention to Note no. 5 of accompanying statement relating to uncertainties relating on recoverability of trade receivables Rs. 14,328.31 lakhs as at March 31, 2018, 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 accompanying financial results.
- c) We draw attention to Note no. 6 of accompanying statement relating to inventory of Rs. 2,508.32 lakhs as at December 31, 2018, which are lying unutilised at the commissioned sites from a considerable period of time. Management is confident of utilizing the same against upcoming projects in due course of time.
- d) We draw attention to Note no. 7 of accompanying statement relating to revenues of Rs. 1,108.96 lakhs as at December 31, 2018 recognised in earlier years under the percentage completion method which are yet to be billed as per the contractual terms and are considered as good of recovery as stated in the note.
- e) We draw attention to Note no. 8 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 and encashment of bank guarantee of Rs. 361 lakhs from one of its wholly owned subsidiary. For the reasons mentioned in note, management believes that these investments and receivables from subsidiary are good and there is no need to make any adjustment to its carrying amounts.
6. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No. 101720WW/100355



Jignesh Mehta

Partner

Membership No. 102749

Mumbai, February 09, 2019

