

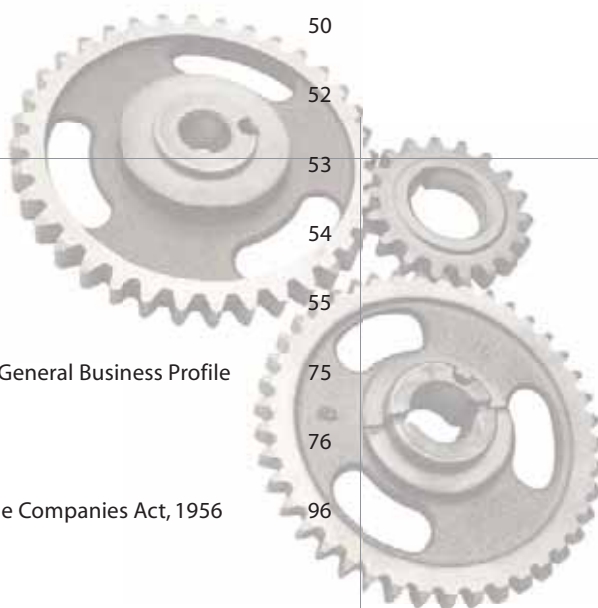
TRANSFORMING DREAMS INTO REALITY



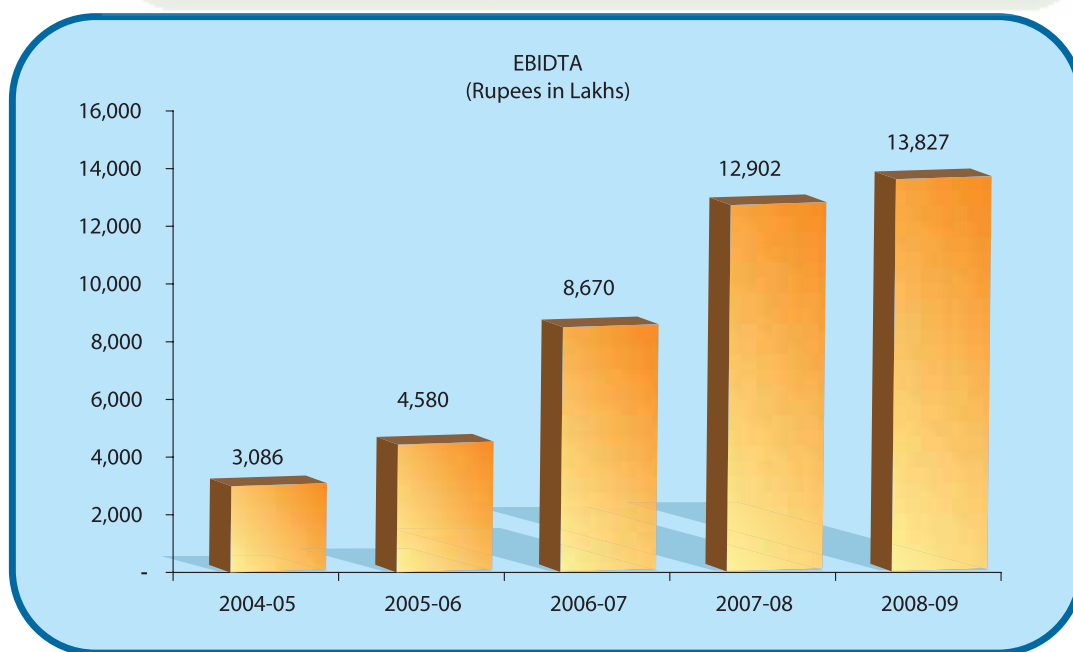
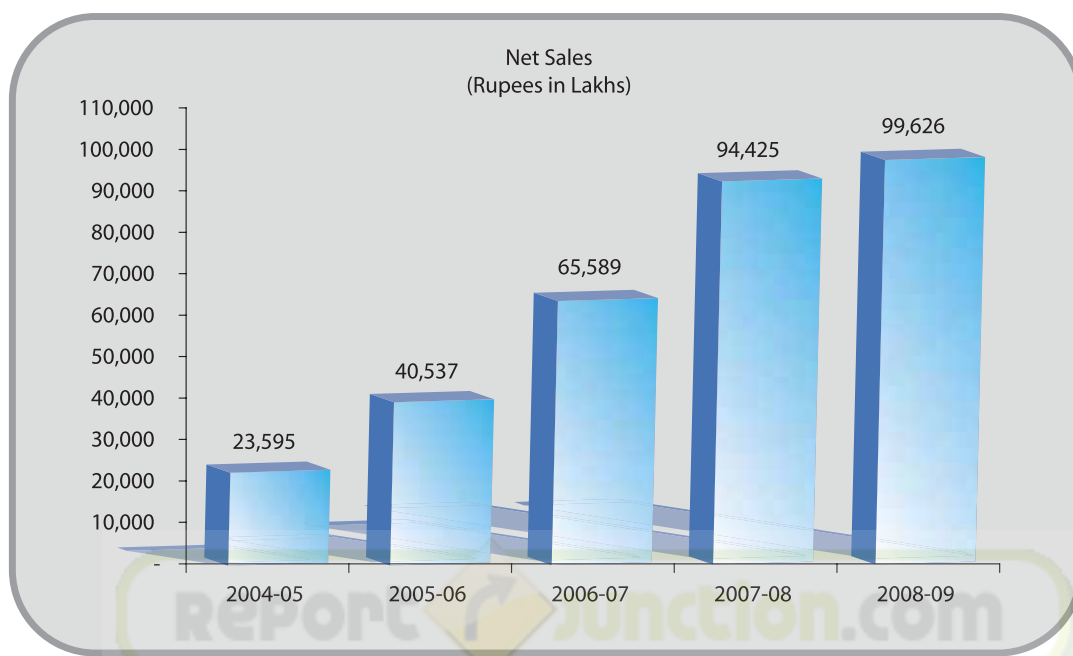
ANNUAL REPORT 2008 - 09

CONTENTS

Financial Highlights	4
Chairman's Statement	6
Board of Directors	8
Vision & Values	10
Directors' Report	24
Annexure to Directors' Report	28
Corporate Governance Report	30
Management Discussion & Analysis	44
Auditors' Report	49
Annexure referred to Auditors' Report	50
Balance Sheet	52
Profit & Loss Account	53
Cash Flow Statement	54
Schedules forming part of Accounts	55
Balance Sheet Abstract and Company's General Business Profile	75
Consolidated Annual Accounts	76
Statement pursuant to section 212 of the Companies Act, 1956	96



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

	2008-09	2007-08	2006-07	2005-06	2004-05
Revenue Account					
Net Sales	99,625.77	94,425.33	65,588.56	40,537.01	23,594.90
EBIDTA	13,826.96	12,902.22	8,670.09	4,579.89	3,085.98
Profit Before Tax(PBT)	8,037.32	9,521.06	6,091.27	2,839.39	1,205.76
Taxation	2,727.24	3,076.44	2,031.60	932.29	245.16
Profit After Tax(PAT)	5,310.08	6,444.62	4,059.67	1,907.10	960.60
Capital Account					
Share Capital	1,176.74	1,176.74	1,020.94	763.94	611.29
Share Warrants	1,955.00	1,955.00	217.50	85.50	25.65
Reserve & Surplus	40,824.22	36,477.85	28,684.74	12,569.64	6,686.27
Shareholders' Fund	43,955.96	39,609.59	29,923.18	13,419.08	7,323.21
Borrowings	35,614.41	30,836.07	18,527.70	10,627.97	11,685.55
Financial Ratios					
PBT to Sales(%)	8.07%	10.08%	9.29%	7.00%	5.11%
PAT to Sales (%)	5.33%	6.83%	6.19%	4.70%	4.07%
PAT (4 year CAGR)	53.33%	100.04%	98.62%	92.93%	54.00%
Book Value(Rupees)*	74.71	68.49	67.69	37.43	25.16
Debt Equity Ratio	0.81	0.78	0.62	0.79	1.60
EPS (Rupees)- Basic*	9.03	11.14	9.18	5.32	3.30
Dividend %	70%	70%	50%	30%	20%

* The face value per share was changed from Rupees 10 to Rupees 2, hence the figures for the year 2004-05 to 2006-07 are re-instated.



DEAR SHAREHOLDER,

Your company has grown from a Transformer manufacturer to an End-to-End Solution provider in Power Transmission and Distribution segment, resulting in opening up of huge market opportunities in the Engineering, Procurement and Construction (EPC) business in India and also in strategic countries around the world. With six manufacturing facilities in India, world-class Project Management capabilities, Coal mine in Indonesia and a majority held JV in South Africa to explore and enhance our presence in the African continent, your company is well positioned to take advantage of various opportunities emerging in the power sector.

The total infrastructure expenditure, the country would have to make by 2017, would be to the order of US \$ 900 bn. As per McKinsey Report (Powering India: The road to 2017) US \$ 600 bn would be required in the Power sector. Your company is in the right sector at the right time and would surely leverage its capabilities for the huge opportunities unfolding in front of us.

Despite the negative impact on the world and Indian economy, due to acute shortage of power in the country, investments in the power sector are likely to continue, thereby providing significant growth stimulus for power equipment manufacturers and EPC contractors like EMCO.

Hard times have a good side too. They help us to reduce cost and to do things better and more efficiently. They also help us to think more innovatively.

During the year under review, the Company has achieved various milestones and some of them are:

- Export Excellence Awards.
- Commendation for Strong Commitment to HR Excellence.
- Ranked 415th among top 500 Companies by Economic Times.
- Ranked 9th as per total income in power equipment sector in Dun & Bradstreet (D&B) India's top 500 companies 2008.

Under the auspices of the Ministry of Power, Government of India, the Company has been empanelled as IT implementation agency in the role of "Meter Data Acquisition Solution Provider (MDASP)" by the Power Finance Corporation.

Your Company's meter plant has been approved by KEMA, one of the most renowned labs in the world. This approval has been received as an associate of a leading European OEM which has potential to translate into substantial business for the company.

As a measure to further strengthen Company's execution capability and supply chain management, the Company has successfully implemented SAP across all locations, divisions and processes.

Your Company has bagged a major contract from Power Grid Corporation of India Limited (PGCIL) for setting up 765kV Transmission Line covering 723 Kms. This was one of the Single largest orders given by PGCIL to any company. I would like to take this opportunity to once again thank Power Grid on behalf of all the shareholders for reposing their faith on the company.

Your company believes in inclusive and sustainable growth and in line with this objective, the company continues its Corporate Social Responsibility activities through EMCO Foundation in the areas of Education, Health and Environment by contributing 1% of its net profit to the Foundation.

Finally, let me express my personal gratitude for the confidence that you have always shown in EMCO. I sincerely hope that you will continue to be our strength so that together, we can reap the benefits of the massive opportunities unfolding in front of us and become, more stronger in the coming years, bring happiness and prosperity to all of us.

Your sincerely,



Rajesh S. Jain
Chairman & Managing Director

Board of Directors

Rajesh S. Jain

B.E. (Electronics)
Chairman & Managing Director
Entrepreneur & Youngest Past President of IEEMA

Shailesh S. Jain

B.E. (Chemical)
Vice Chairman, Managing Director & CEO
Entrepreneur

R.S. Shah

B.Sc (Electrical Engineering)
Director – Technical
Transformer Technology Expert
Past President of ERDA

S.V. Deo

B.E. (Electrical), DBM, MIE
Independent Director
Ex-Technical Member – MSEB

K. N. Shenoy

B.E. (Electrical), PGDBA
Independent Director
Ex-President of CII, IEEMA & ERDA,
Past Chairman ABB, India

T.N.V. Ayyar

B.Com, FCA
Independent Director

Bheru Choudhary

B.Com, LL.M
Independent Director
Solicitor, Partner of IC Legal

Chief Financial Officer

Sunil Rustagi

FCA, AICWA, ACS, CPA (USA)

Company Secretary

Nithish Bangera

B.Com, LLB, ACS

Statutory Auditors

P. Raj & Co.

Chartered Accountants

Corporate Office:

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

Registered Office:

N-104, MIDC Area
Jalgaon - 425 003
Maharashtra, India
Tel. : +91 257 2272462 / 2272 572
Fax : +91 257 2272 598

Bankers

Dena Bank
State Bank of India
Bank of India
State Bank of Hyderabad
ING Vysya Bank Limited
The Federal Bank Limited
Andhra Bank
Union Bank of India
Canara Bank

Solicitors

Dudhat Pereira & Associates

Plant Locations:

Power Transformer Plant :

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

Industrial Transformer Plant:

N-104, MIDC Area, Jalgaon - 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, 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 281029, 281030 Fax : +91 2668 281030

Meter Plants:

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

Survey No. 57/2, Sanjay Industrial Estate, Building No.3,
Gala No. 1 to 8, Waghdhara Road,
Dadra - 396 230, (Union Territory) Dadra & Nagar Haveli
Tel. : +91 260 2668177-78-80 Fax : +91 260 2668176

Registrar & Transfer Agent:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078
Tel. No. : +91 22 25946970
Fax No. : +91 22 25946969
Email : rnt.helpdesk@linkintime.co.in

