



powering tomorrow's dreams





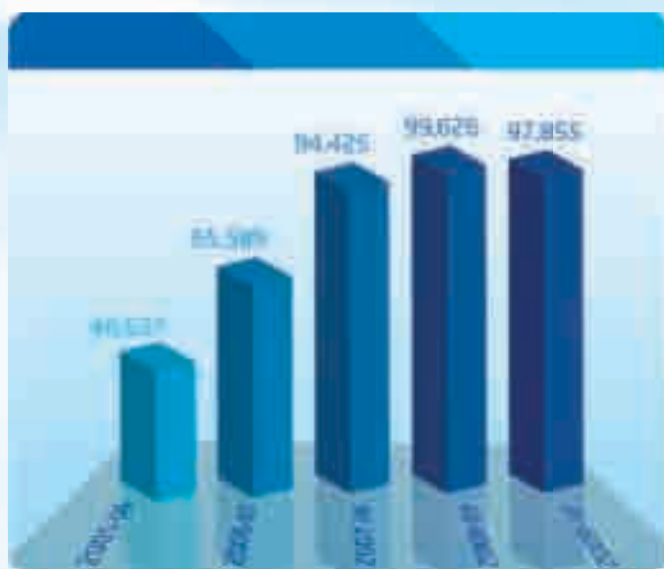
## WORLD'S ENVY, INDIA'S PRIDE

EMCO becomes the first transformer manufacturer in the world to have successfully tested a 315MVA 230kV Generator Transformer for Dynamic Short Circuit Test in accordance with International Standard IEC: 60076-5 at the KEMA high power test lab in The Netherlands.

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# Financial Highlights



DIVIDEND (in percentage)



NET WORTH (Rupees in Lakhs)



(Rupees in Lakhs)

	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Revenue Account</b>					
Net Sales	<b>97,855.32</b>	99,625.77	94,425.33	65,588.56	40,537.01
EBIDTA	<b>23,797.26</b>	13,826.96	12,902.22	8,670.09	4,579.89
Profit Before Tax(PBT)	<b>18,328.97</b>	8,037.32	9,521.06	6,091.27	2,839.39
Taxation	<b>4,949.31</b>	2,727.24	3,076.44	2,031.60	932.29
Profit After Tax(PAT)	<b>13,379.66</b>	5,310.08	6,444.62	4,059.67	1,907.10
<b>Capital Account</b>					
Share Capital	<b>1,238.54</b>	1,176.74	1,176.74	1,020.94	763.94
Share Warrants	<b>497.55</b>	1,955.00	1,955.00	217.50	85.50
Reserves & Surplus	<b>56,998.56</b>	40,824.22	36,477.85	28,684.74	12,569.64
Shareholders' Fund	<b>58,734.65</b>	43,955.96	39,609.59	29,923.18	13,419.08
Borrowings	<b>25,990.16</b>	35,614.41	30,836.07	18,527.70	10,627.97
<b>Financial Ratios</b>					
PBT to Sales(%)	<b>18.73%</b>	8.07%	10.08%	9.29%	7.00%
PAT to Sales (%)	<b>13.67%</b>	5.33%	6.83%	6.19%	4.70%
PAT (4 year CAGR)	<b>62.75%</b>	53.33%	100.04%	98.62%	92.93%
Book Value(Rupees)*	<b>94.85</b>	74.71	67.32	67.69	37.43
Debt Equity Ratio	<b>0.44</b>	0.81	0.78	0.62	0.79
EPS (Rupees)- Basic	<b>22.72</b>	9.03	11.14	9.18	5.32
Dividend %	<b>70%</b>	70%	70%	50%	30%

\* The face value per share was changed from Rs. 10 to Rs. 2, hence the figures for 2005-06 and 2006-07 are re-institated.

# Chairman's Message

Dear Shareholder,

2009 was a year when many remarkable global changes have taken place. Post Lehman brothers, banking reforms were seen and economy of many countries saw a phase which they had not seen since few decades. This did impact global economy and recovery is now visible. However, Indian economy was one shining star globally. This obviously saw us moving as closer to the world recognising how India will be a catalyst in economic recovery of many countries. Every country now will have India strategy and it is clear that India has capability to play important role in helping global economy to recover. These are long term sentiments and not short term euphoria.

Indian economy faced similar situation as global economy was facing but regulated central bank proved how to manage stimulus package and bring back growth on track. India could recover its path by second half of 2009-2010. Even then, it did leave scar on slow growth in first half when manufacturing industry like ours suffered and pace of growth for year was overall slow. Your Company's performance under the circumstances was definitely impacted.

While our strategy is to remain focussed in the T & D segment of power sector, challenges on competition and execution front including margin pressure are evident. The Industry is facing acute shortage of skilled manpower in EPC business specially in Transmission line stringing area which has impacted overall Industry's performance and your Company's too. However, your Company is taking continuous steps to overcome these challenges by improving efficiency, productivity, execution capability and enhancing skills of human resources by a continuous process of learning & development but at the same time also see its impact in short term.

We are optimistic about the future prospects for the power industry and those for your Company. India's very need of the hour is power and other infrastructure as repeatedly pointed out by all big economists and industrialists. Infact, India is expected to add a generation capacity of 62,000 MW on certainty basis in the 11<sup>th</sup> five year plan, out of the planned target of 78,577 MW. If one goes by the actual implementation of the plan so far, the country will have to go for capacity addition of around 37,000 MW in the remaining two years of the 11<sup>th</sup> plan. This offers remarkable opportunities to Companies like EMCO. Your Company has emerged as a formidable force in providing turnkey transmission solutions (400kV- 765 kV extra high voltage segment) in the dynamic power sector in India.

To stay ahead of time and match the pace of change, your Company always endeavours towards inculcating a culture that encourages innovations and work on fresh technology perspective. Your Company has well equipped corporate R&D Centre, staffed by a team of specialists and professionals working passionately on innovative development projects synergic to the Company's business interest.

In order to protect intellectual property rights and to create further wealth for our shareholders, your Company has also filed few patents.

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

- First transformer manufacturer in the world to have successfully tested a 315MVA, 230 kV Generator Transformer for Dynamic Short Circuit Test at the world-renowned KEMA High Power Test Lab, Netherlands.
- Only Indian Company selected to present a technical paper at CIGRE in Paris, France.
- Appreciation Certificate from Hon'ble Union Minister for State for Power for the Product- 'Eco-friendly Dielectric Fluid for Transformer' for the Best Product Contest at ELECRAMA-2010.

Your Company sold one of its subsidiaries EMCO Energy Limited, which was setting up a thermal power project, in order to unlock the value to pursue larger opportunities in the power generation business. The Company, in order to fuel its power generation plans, had perceived this strategy after taking into consideration the changing scenario in the power sector in which the emphasis is essentially on large size projects to become competitive, cost efficient and environmental friendly. The decision has earned good return on investment and increased your Company's network and risk taking capability against future unforeseen events. However, the Company has only sold a Project and not the business and therefore, entire core team and knowledge remains with the Company.

While pursuing growth in business, the Company does not neglect its social responsibilities. Every year, it contributes minimum 1 per cent of its net profit to health, education and environment protection activities, which are handled by EMCO Foundation.

Finally, let me express my personal gratitude for the confidence that you have always bestowed on us. I sincerely hope that you will continue to be our strength, so that, together, we can reap the benefits of the phenomenal opportunities unfolding in front of us and become stronger and successful in the coming years.

Yours sincerely,



Rajesh S. Jain  
Chairman

# Board of Directors

## BOARD OF DIRECTORS

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

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

**Mr. Ajay Kumar Dhagat,**  
B.E. (Electrical)  
Managing Director

**Mr. K. N. Shenoy,**  
B.E. (Electrical), PGDBA  
Independent Director

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

**Mr. T.N.V. Ayyar,**  
B.Com, FCA  
Independent Director

**Mr. Bheru Choudhary,**  
B.Com, LL.M  
Independent Director

**Mr. Anil Kumar Sardana,**  
B.E. (Electrical), AICWA, PGDBM  
Independent Director



#### CHIEF FINANCIAL OFFICER

**Sunil Rustagi**

FCA, AICWA, ACS, CPA (USA)

#### COMPANY SECRETARY

**Praveen Kumar**

B.Com, LLB., ACS

#### AUDITORS

**P. Raj & Co.**

Chartered Accountants

#### 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

Standard Chartered Bank

#### SOLICITORS

**Dudhat Pereira & Associates**

#### REGISTRAR & TRANSFER AGENT

**Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai  
400078

Tel: 91 22 25946970

Fax: 91 22 25946969

e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### 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 Plants:

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

# our vision

“To build a world class company through reliability and be a great place to work”

Our vision is to make our company the best in class in what we do, in the world. The products and services we offer should be comparable to the best in the world, our business processes and systems should set a benchmark for others. We should earn the respect of our competitors and be loved by our stakeholders. Our company should be the most preferred company to work for, for any employee. Here he should feel like a owner, be able to live his dreams, fulfill all his professional goals and have fun while doing so.

As a young, dynamic enterprise, we constantly seek to surpass our past achievements and discover newer, better means to address challenges. Be it problem-solving, customer satisfaction or research, EMCO is geared to respond with utmost dedication and an undying spirit of enthusiasm that inspires and unifies employees while giving the customer a unique advantage.

EMCO culture encourages and enables employees to participate as team members and take initiative - this spirit of entrepreneurship is a key milestone of EMCO's philosophy. Embracing new ideas and new means has been instrumental in our rise and will continue to define our approach. This culture of shared responsibility has given EMCO an unmatched reputation, while winning the trust and goodwill of employees and partners.