



# EMA INDIA LIMITED

CIN:L27201UP1871PLC003408

Mfrs. of Induction  
Heating and Honing  
Machines & Accessories

Date: 20.09.2018

To,  
Manager-CRD,  
BSE Limited,  
Pheroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400001

Dear Sir/Ma'am,

**Sub: Submission of Approved and Adopted Copy of Annual Report of the Company**  
**Re: EMA India Limited; Scrip Code: 522027**

Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2017-18 as duly approved and adopted by the shareholders in the 47<sup>th</sup> Annual General Meeting of the Company as Annexure.

Kindly take the above on your record.

Thanking You,

Yours Faithfully

For EMA India Limited

*Namita Sabarwal*  
Namita Sabarwal  
(Company Secretary)  
M. No.: A35411

Encl.: As Above

Regd. Office & Postal Address  
**EMA INDIA LTD.**  
C-37, Panki Industrial Area  
P.O. Udyog Nagar  
Kanpur-208 022  
INDIA

Honing Machine Division  
**GEHRING INDIA**  
(A Div. of Ema India Ltd.)  
Vill. Maharajour, 19th Km. Stone  
P.O. Tantiyaganj, Mandhana  
Kanpur Dehat-209 203  
INDIA

EMA Tel. : +91-512-691210-11-12-13  
Fax : +91-512-691214  
GEHRING Tel. : +91-5112-20105, 20107  
Fax : +91-5112-20106  
E-mail : emain@lw1.vsnl.net.in

Pioneers in Induction Heating & Hardening



**EMA  
INDIA  
LIMITED**

*Annual Report 2017-2018*





## EMA INDIA LIMITED

C-37, Panki Industrial Area, P.O. Udyog Nagar, Kanpur – 208022

Ph: 0512-2691210-11; Fax: 0512-2691214

E-mail: emaindia.cs@gmail.com; Website: www.eiltd.info

**CIN No.: L27201UP1971PLC003408**

### BOARD OF DIRECTORS

RANJANABHARGAVA, *Whole Time Director & CFO*

KRISHNADAS GUPTA (**IRS – Retired**)

MAHABIR PRASAD SHARMA

RAKSHITA BHARGAVA

### COMPANY SECRETARY & COMPLIANCE OFFICER

NAMITA SABARWAL

### STATUTORY AUDITORS

RISHABH & CO.

CHARTERED ACCOUNTANTS

KANPUR

### BANKERS

BANK OF BARODA

UPTRON ESTATE

PANKI INDUSTRIAL AREA

PANKI SITE I, KANPUR

STATE BANK OF INDIA

KFCL BRANCH

PANKI INDUSTRIAL AREA

PANKI SITE I, KANPUR

### REGISTERED OFFICE & WORKS

C-37, Panki Industrial Area

P.O. Udyog Nagar

KANPUR – 208022

Phone: 0512-2691210-11

E-mail: emaindia.cs@gmail.com

Website: www.eiltd.info

### REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Ltd.

Alankit House

4E/2, Jhandewalan Extension

New Delhi – 110055

E-mail: info@alankit.com

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## BOARDS REPORT

To,

**The Members**

Your directors have pleasure to present the 47<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2018.

**Indian Accounting Standards:**

The Ministry of Corporate Affairs, vide its notification dated 16<sup>th</sup> February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable from the 1<sup>st</sup> April, 2017, with a transition date of 1<sup>st</sup> April, 2016.

**Financial Results:**

The summarised financial results of the Company for the financial year ended 31<sup>st</sup> March, 2018 as compared to the previous year were as under:

(Amount in ₹)

| Particulars  | F.Y. 2017-18     | F.Y. 2016-17      |
|--|------------------|-------------------|
| Revenue from Operations  | 768600           | 12935299          |
| Other Income   | 913395           | 718126            |
| Total Income   | 1681995          | 13653425          |
| Total Expenditure  | 6289392          | 21307958          |
| <b>Profit/(Loss) before Interest, Depreciation and Tax</b>           | <b>(4225718)</b> | <b>(7018026)</b>  |
| Less: Finance Costs  | 34465            | 33693             |
| Less: Depreciation and Amortization Expenses                         | 347214           | 602814            |
| <b>Profit/(Loss) before Exceptional / Prior Period Items and Tax</b> | <b>(4607397)</b> | <b>(7654533)</b>  |
| Less: Exceptional Items  | -                | -                 |
| <b>Profit/(Loss) before Tax</b>                                      | <b>(4607397)</b> | <b>(7654533)</b>  |
| Less: Tax Expenses   | -                | 23190928          |
| <b>Profit/(Loss) for the year</b>                                    | <b>(4607397)</b> | <b>(30845461)</b> |
| <b>Other Comprehensive Income:</b>                                   |                  |                   |
| Add: Items that will not be reclassified to profit or loss           | 474305           | 2090568           |
| Other Comprehensive Income for the year                              | 474305           | 2090568           |
| <b>Total Comprehensive income for the year</b>                       | <b>(4133092)</b> | <b>(28754893)</b> |

**State of Company's Affairs:**

The Company has shut down its manufacturing activities which results into uneconomical operations and disposing off the discarded and unviable machines, equipments and other assets of the Company.

**Subsidiaries, Joint Ventures or Associate Companies:**

The Company has no subsidiary, joint venture or an associate company. Accordingly, information in prescribed Form AOC-1 is not required.

**Material Changes and Commitments:**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

**Change in the Nature of Business:**

During the year under review, there were no changes in nature of the business of the Company.

**Dividend:**

Your Directors are not in a position to recommend dividend as the Company is incurring losses for past 10 years.

**Reserves & Surplus:**

The loss of ₹ 4133092 incurred during the year has been adjusted under the head Reserves & Surplus of the Balance Sheet.

**Directors & Key Managerial Personnel:**

Ms. Ranjana Bhargava (DIN: 00234421), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment and the Board recommends her re-appointment.

**EMA INDIA LIMITED**



The brief resume of director retiring by rotation but seeking re-appointment at the ensuing Annual General Meeting, their experience in specific functional areas and the companies in which they hold directorship and/or membership/chairmanship of the committees of the Board, their shareholdings etc., as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given in the Notice of the 47<sup>th</sup> Annual General Meeting.

During the year under review, none of the Directors or Key Managerial Personnels were appointed or resigned.

Ms. Ranjana Bhargava, Whole Time Director and Chief Financial Officer of the Company was re-appointed in the 46<sup>th</sup> Annual General Meeting of the Shareholders held on 25<sup>th</sup> September, 2017 for a period of three years w.e.f. 1<sup>st</sup> April, 2017.

**Changes in Share Capital, if any**

During the year under review, there is no change in the share capital of the Company.

**Statutory Auditors & Audit Report:**

Pursuant to provisions of Section 139 of the Act and Rules thereunder, M/s. Rishabh & Co., Chartered Accountants, Kanpur (FRN 010915C) were appointed as Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of 46<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2017, till the conclusion of the 51<sup>st</sup> Annual General Meeting to be held in the year 2022, subject to ratification of their appointment at every subsequent Annual General Meeting.

As the first proviso to sub-section (1) of Section 139 of the Act requiring ratification has been omitted by the Companies (Amendment) Act, 2017, as notified by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 resolution seeking ratification of their appointment does not forms part of the Notice convening the 47<sup>th</sup> Annual General Meeting.

The report of Statutory Auditors do not require any comments from directors as there is no qualification, reservation, adverse remark or disclaimer.

**Frauds reported by Auditors:**

As per Section 143 of the Act the report of Auditors states that the Company has not committed any frauds during the year.

**Particulars of Loans, Guarantees or Investment:**

There were no loans, guarantees or investments made by the Company under Section 186 of the Act during the year under review and hence the provisions of the said Section have been complied with.

**Related Party Transactions:**

The Company has not entered into any transactions with related party. Accordingly information in prescribed Form AOC-2 is not required.

**Deposits:**

1. Accepted during the year: NIL
2. Remained unpaid or unclaimed as at the end of the year: NIL
3. If there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
  - a. At the beginning of the year: NIL
  - b. Maximum during the year: NIL
  - c. At the end of the year: NIL

**Deposits not in compliance with Chapter V of the Act:**

The Company has not accepted any deposits covered under the provisions of Section 73 of the Act and the Rules made there under.

**Managerial Remuneration:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details is given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

| Name of the director | Designation                 | DIN      | Ratio  |
|----------------------|-----------------------------|----------|--------|
| Ms. Ranjana Bhargava | Whole Time Director and CFO | 00234421 | 12.7:1 |

2. Percentage increase in remuneration of each director, CEO and CS in the financial year:

| Name of the director/CEO | Designation                 | DIN/PAN    | Percentage increase |
|--------------------------|-----------------------------|------------|---------------------|
| Ms. Ranjana Bhargava     | Whole Time Director and CFO | 00234421   | 70%                 |
| Ms. Namita Sabarwal      | Company Secretary           | FVUPS5879D | NIL                 |



3. Percentage increase in the median remuneration of employees in the financial year: **NIL**
4. Number of permanent employees on the rolls of Company: 5
5. The Company is giving statutory increase in average remuneration of workers since the Company is incurring losses.
6. We confirm that the remuneration is as per the remuneration policy of the Company.
7. The Company has no employee including the directors of the Company who are in receipt of remuneration in excess of ₹ 8.5 lakh per month or ₹102 lakh per annum.

The statement containing names of top ten employees in terms of the remuneration drawn and the particulars of employees as required pursuant to Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company are available for inspection by members at the Registered Office of the Company 21 days before the Annual General Meeting during business hours on any working days (Monday to Friday) of the Company upto the date of the ensuing Annual General Meeting. Any member who is interested in obtaining a copy thereof, may write to the Company Secretary at the Registered Office of the Company and the same will be furnished on such request.

**Directors Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Act your directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company at the end of the financial year;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**Compliance of Secretarial Standards:**

During the financial year under review, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by The Institute of Company Secretaries of India and approved by the Central Government.

**Declaration by Independent Directors:**

The Company has received declaration from all the independent directors of the Company in accordance with the provisions of Section 149 of the Act, whose names are as under:

1. Mr. Krishna Das Gupta
2. Mr. Mahabir Prasad Sharma

**Audit Committee:**

During the year, the audit committee has been reconstituted in accordance with the provisions of Section 177 of the Act due to cessation of Mr. Pradip Kumar Bhargava, Chairman and Managing Director of the Company and Chairman of Audit Committee at Board Meeting held on 23<sup>rd</sup> May, 2017. The composition of Audit Committee is as under:

| Name of the Director      | Position held in the Committee | Category of the Director               |
|---------------------------|--------------------------------|--|
| Ms. Rakshita Bhargava     | Chairperson                    | Non-Executive Non Independent Director |
| Mr. Krishna Das Gupta     | Member                         | Non-Executive Independent Director     |
| Mr. Mahabir Prasad Sharma | Member                         | Non-Executive Independent Director     |

**Nomination and Remuneration Committee:**

As per the Section 178(1) of the Act, the Company's Nomination and Remuneration Committee comprises of following three Non-executive Directors:



| Name of the Director      | Position held in the Committee | Category of the Director               |
|---------------------------|--------------------------------|--|
| Mr. Krishna Das Gupta     | Chairman                       | Non-Executive Independent Director     |
| Mr. Mahabir Prasad Sharma | Member                         | Non-Executive Independent Director     |
| Ms. Rakshita Bhargava     | Member                         | Non-Executive Non Independent Director |

**Stakeholder Relationship Committee:**

The members of Stakeholder Relationship Committee are as follows:

| Directors                 | Position held in the Committee | Designation                            |
|---------------------------|--------------------------------|--|
| Ms. Rakshita Bhargava     | Chairperson                    | Non-Executive Non Independent Director |
| Mr. Krishna Das Gupta     | Member                         | Non-Executive Independent Director     |
| Mr. Mahabir Prasad Sharma | Member                         | Non-Executive Independent Director     |

**Role of Nomination and Remuneration Committee:**

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
4. The Committee shall ensure that the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
5. Regularly review the Human Resource function of the Company and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time
6. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time and make reports to the Board as appropriate.
7. Such other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

**Remuneration Policy:**

1. The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board Meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.
2. The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board of Directors attended by them.

**Annual Evaluation of Board of its own performance, of its Committees and Individual Directors:**

The Company has established a framework for performance evaluation in line with applicable regulatory provisions and in compliance with the Act and the performance evaluation of the Board and its Committees were carried out during the year under review.

The evaluation was made in the overall context of the effectiveness of the Board and the respective Committees in providing guidance to the operating management of the Company, level of attendance in the Board/Committee meetings, constructive participation in the discussion on the agenda items, effective discharge of the functions and roles of the Board/ Committees. A detailed discussion followed on the basis of the aforesaid criteria and the Board collectively agreed that the Board and all its Committees fulfilled the above criteria and positively contributed in the decision making process at the Board/Committee level.

The Board has evaluated the performance of all the individual directors on the basis of evaluation criteria specified in the Nomination and Remuneration policy of the Company.

The Nomination and Remuneration Committee has reviewed the performance of all the individual directors (Independent Directors, Non-Independent Directors and the Chairperson of the Company) based on their knowledge, level of





preparation and effective participation in meetings, understanding of their role as Directors, etc.

The Independent Directors of the Company have also reviewed the performance of the Non-Independent Directors, the Chairperson and the Board. Structured questionnaires were evolved and used by the reviewers to assess Board effectiveness and for evaluation of Non-Independent Directors, Independent Directors, Committees and Chairperson. The Board would use the results of the evaluation process to improve its effectiveness in the best interest of the Company.

**Corporate Social Responsibility:**

The provisions of Corporate Social Responsibility under the Act are not applicable to the Company.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

**A) Conservation of Energy:**

The operations of the Company are not energy intensive therefore no capital investment has been made on energy conservation equipments during the year. The Company has endeavoured to conserve energy consumption, wherever feasible and has not utilized alternate sources of equipments.

**B) Technology Absorption:**

No new technology has been imported during last 5 years. However, the technology for Transistorized Converters, other equipments and parts of Induction Heating Machines imported has been fully absorbed.

The industry has been under recession from past many years due to which manufacturing is unviable at low volumes and as a result of which Company is incurring losses from its manufacturing activities and has shut down manufacturing activities and dispose off plant and machinery.

**C) Foreign Exchange Earnings and Outgo:**

The details of earnings and outgo in foreign exchange are as under:

1. Foreign exchange outflows: ₹ 1.46 lakhs (previous year ₹ 3.44 lakhs)
2. Foreign exchange inflows: NIL (previous year ₹ 13.73 lakhs)

**Extract of Annual Return:**

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year ended 31<sup>st</sup> March, 2018 is appended as ANNEXURE-A to this Report.

**Details of Board Meeting Held during the Year:**

No. of Board Meetings held during the year: 4

|                                 |            |            |            |            |
|---------------------------------|------------|------------|------------|------------|
| <b>Date of Board Meeting</b>    | 23.05.2017 | 08.08.2017 | 11.11.2017 | 07.02.2018 |
| <b>No. of directors present</b> | 4          | 4          | 4          | 4          |

**Secretarial Audit Report:**

Pursuant to the provisions of Section 204(1) of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company in its meeting held on 23<sup>rd</sup> May, 2017 had appointed M/s. GSK & Associates, Company Secretaries, Kanpur for conducting the Secretarial Audit of the Company for the financial year 2017-18. However, M/s. GSK & Associates had resigned as Secretarial Auditor of the Company w.e.f. 16<sup>th</sup> November, 2017 due to their pre-occupation.

Further, the Board of Directors in its Meeting held on 7<sup>th</sup> February, 2018 appointed M/s. K.N. Shridhar & Associates, Company Secretaries, Kanpur for conducting the Secretarial Audit of the Company for the financial year 2017-18 and furnish his report to the Board.

The Secretarial Audit Report forms part of this Report as ANNEXURE-B. There are no qualifications or observations or other remarks made by the Secretarial Auditor on the audit conducted by him in his Report for the year under review.

**Internal Auditor:**

M/s. Shishir Saxena and Co., Chartered Accountants, having office at 502, Gopala Chambers, 14/123, Parade, Kanpur (U.P.) - 208001 were appointed as the Internal Auditor of the Company for the financial year 2018-19.

**Vigil Mechanism:**

As per Section 177(9) and (10) of the Act, the Company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/Whistle Blower Policy to safeguard the interest of its



stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

**Adequacy of Internal Financial Controls:**

The Company has, in all material respects, an adequate system of internal controls over financial reporting and such internal controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018.

**Management Discussion and Analysis Report:**

The Company is facing losses from the last few years, the Company has shut down its manufacturing activities due to continued recession in industry which results into uneconomical operations and disposing off the discarded and unviable machines, equipments and other assets of the Company. The Company has adequate internal controls commensurate to the size of the Company.

**Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy and during the year no complaints have been received from them.

**Risk Management Policy and Identification of Key Risks:**

The Management of the Company has framed risk management policy and identified the key risks to the business and its existence. There are no risks identified that may threaten the existence of the Company.

**Acknowledgement:**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, Staff and Workers of the Company.

**On behalf of the Board**

**Sd/-**

**Ranjana Bhargava**

Whole Time Director

DIN: 00234421

Address: 28-Chandra Vihar,  
Lakhanpur, Kanpur-208002

**Sd/-**

**Rakshita Bhargava**

Director

DIN: 00234224

Address: 28-Chandra Vihar,  
Lakhanpur, Kanpur-208002

Place : Kanpur

Date : 17<sup>th</sup> May, 2018

**EMA INDIA LIMITED**



**FORM NO. MGT.9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2018**  
**[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   | L27201UP1971PLC003408  |
| ii  | Registration Date   | 06.05.1971   |
| iii | Name of the Company   | EMA INDIA LIMITED  |
| iv  | Category/Sub-Category of the Company                                      | Company limited by Shares / Indian Non-Government Company  |
| v   | Address of the Registered Office and contact details                      | C-37 Panki Industrial Area,<br>P.O. Udyog Nagar, Kanpur - 208022 (U.P.) India                                    |
| vi  | Whether listed Company (Yes/No)   | Yes  |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | Alankit Assignments Ltd., Alankit House, 4E/2, Jhandewalan Extension, New Delhi- 110 055, Ph: 23541234, 42541234 |

**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       | Tools, spares and upgrading, etc                | 28299                            | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company does not have any holding, subsidiary and associate Company.

| S. No. | Name And Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|--------|---------------------------------|----------|--------------------------------|------------------|--------------------|
| 1      | -                               | -        | -                              | -                | -                  |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i. Category-wise Share Holding*

| Category of Shareholders                                | No. of Shares held at the beginning of the year |          |               |                   | No. of Shares held at the end of the year |          |               |                   | % Change during the year |
|---|---|----------|---------------|-------------------|---|----------|---------------|-------------------|--------------------------|
|   | Demat   | Physical | Total         | % of Total Shares | Demat                                     | Physical | Total         | % of Total Shares |                          |
| <b>A. Promoters</b>                                     |   |          |               |                   |   |          |               |                   |                          |
| <b>(1) Indian</b>                                       |   |          |               |                   |   |          |               |                   |                          |
| a. Individual/ HUF                                      | 473149  | -        | 473149        | 47.08             | 473249                                    | -        | 473249        | 47.09             | 0.01                     |
| b. Central Govt.  | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| c. State Govt. (s)                                      | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| d. Bodies Corp.   | 17300   | -        | 17300         | 1.72              | 17300                                     | -        | 17300         | 1.72              | -                        |
| e. Banks/ FI  | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| f. Any Other..  | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| <b>Sub-total (A) (1)</b>                                | <b>490449</b>                                   | <b>-</b> | <b>490449</b> | <b>48.80</b>      | <b>490549</b>                             | <b>-</b> | <b>490549</b> | <b>48.81</b>      | <b>0.01</b>              |
| <b>(2) Foreign</b>                                      |   |          |               |                   |   |          |               |                   |                          |
| a. NRIs - Individuals                                   | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| b. Other - Individuals                                  | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| c. Bodies Corp.   | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| d. Banks / FI   | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| e. Any Other....  | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |
| <b>Sub-total (A)(2)</b>                                 | <b>-</b>  | <b>-</b> | <b>-</b>      | <b>-</b>          | <b>-</b>                                  | <b>-</b> | <b>-</b>      | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b> | <b>490449</b>                                   | <b>-</b> | <b>490449</b> | <b>48.80</b>      | <b>490549</b>                             | <b>-</b> | <b>490549</b> | <b>48.81</b>      | <b>0.01</b>              |
| <b>B. Public Shareholding</b>                           |   |          |               |                   |   |          |               |                   |                          |
| <b>(1) Institutions</b>                                 |   |          |               |                   |   |          |               |                   |                          |
| a. Mutual Funds   | -   | 500      | 500           | 0.05              | -   | 500      | 500           | 0.05              | -                        |
| b. Banks/ FI  | -   | 200      | 200           | 0.02              | -   | 300      | 300           | 0.03              | 0.01                     |
| c. Central Govt   | -   | -        | -             | -                 | -   | -        | -             | -                 | -                        |



|   |        |        |         |        |        |        |         |        |       |
|---|--------|--------|---------|--------|--------|--------|---------|--------|-------|
| d. State Govt(s)  | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| e. Venture Capital Funds  | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| f. Insurance Companies  | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| g. FIs  | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| h. Foreign Venture Capital Funds  | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| i. Others (specify)   | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| <b>Sub-total (B)(1)</b>   | -      | 700    | 700     | 0.07   | -      | 800    | 800     | 0.08   | 0.01  |
| <b>(2) Non-Institutions</b>   |        |        |         |        |        |        |         |        |       |
| a. Bodies Corp.   |        |        |         |        |        |        |         |        |       |
| i) Indian   | 14858  | 1000   | 15858   | 1.58   | 16367  | 500    | 16867   | 1.68   | 0.10  |
| ii) Overseas  | -      | 68755  | 68755   | 6.84   | -      | 68755  | 68755   | 6.84   | -     |
| b. Individuals  |        |        |         |        |        |        |         |        |       |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 321591 | 78305  | 399896  | 39.79  | 321572 | 77105  | 398677  | 39.67  | -0.12 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 28905  | -      | 28905   | 2.88   | 28905  | -      | 28905   | 2.88   | -     |
| c. Others (specify) Foreign Individuals/ NRI                                      | 337    | 100    | 437     | 0.04   | 347    | 100    | 447     | 0.04   | -     |
| <b>Sub-total (B)(2)</b>   | 365691 | 148160 | 513851  | 51.13  | 367191 | 146460 | 513651  | 51.11  | -0.02 |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                            | 365691 | 148860 | 514551  | 51.20  | 367191 | 147260 | 514451  | 51.19  | -0.01 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                            | -      | -      | -       | -      | -      | -      | -       | -      | -     |
| <b>Gr. Total (A+B+C)</b>  | 856140 | 148860 | 1005000 | 100.00 | 857740 | 147260 | 1005000 | 100.00 | -     |

ii. Shareholding of Promoters

| Sl. No. | Shareholder's Name            | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding 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       | Pradip Kumar Bhargava HUF     | 352906                                    | 35.12                            | -  | 352906                              | 35.12                            | -  | -  |
| 2       | Ranjana Bhargava              | 49000                                     | 4.88                             | -  | 49000                               | 4.88                             | -  | -  |
| 3       | Rakshita Bhargava             | 71243                                     | 7.09                             | -  | 71343                               | 7.10                             | -  | 0.01                                     |
| 4       | Diatech Tools India Pvt. Ltd. | 17300                                     | 1.72                             | -  | 17300                               | 1.72                             | -  | -  |
|         | <b>Total</b>                  | 490449                                    | 48.80                            | -  | 490549                              | 48.81                            | -  | 0.01                                     |

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

| Sl. No. |   | 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  | 490449                                    | 48.80                            | 490449                                  | 48.80                            |
|         | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus / sweat equity etc): |   |                                  | 100<br>04/08/2017 off Market Purchase   | 0.01                             |
|         | At the End of the year  | 490549                                    | 48.81                            | 490549                                  | 48.81                            |



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

| Sl. No | For Each of the Top 10 Shareholders            | 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      | M/S Ema Elektro - MaschinenSchultze Gmbh & Co. | 68755                                     | 6.84                             | 68755                                   | 6.84                             |
| 2      | Narasimhan K                                   | 17100                                     | 1.71                             | 17100                                   | 1.71                             |
| 3      | Puja Parakh                                    | 11805                                     | 1.17                             | 11805                                   | 1.17                             |
| 4      | Takawale Ramesh                                | 9868                                      | 0.98                             | 9868                                    | 0.98                             |
| 5      | Worth While Portfolios Pvt Ltd.                | 9677                                      | 0.96                             | 9677                                    | 0.96                             |
| 6      | Premlata Parakh                                | 8364                                      | 0.83                             | 8364                                    | 0.83                             |
| 7      | Raichand Sethia HUF                            | 7385                                      | 0.73                             | 7385                                    | 0.73                             |
| 8      | Punjabhai Keshavbhai Jadega                    | 7000                                      | 0.70                             | 7000                                    | 0.70                             |
| 9      | Kaushal Ashwin Gandhi                          | 5000                                      | 0.50                             | 5000                                    | 0.50                             |
| 10     | Sushilaben Hashmukhlal Jariwala                | 4500                                      | 0.45                             | 4500                                    | 0.45                             |

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      | <b>Ranjana Bhargava</b>   |   |                                  |   |                                  |
|        | At the beginning of the year  | 49000                                     | 4.88                             | 49000                                   | 4.88                             |
|        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | -   | -                                | -                                       | -                                |
|        | At the End of the year  | 49000                                     | 4.88                             | 49000                                   | 4.88                             |
| 2      | <b>Rakshita Bhargava</b>  |   |                                  |   |                                  |
|        | At the beginning of the year  | 71243                                     | 7.09                             | 71243                                   | 7.09                             |
|        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | -   | -                                | 100                                     | 0.01                             |
|        | At the End of the year  | 71343                                     | 7.10                             | 71343                                   | 7.10                             |
|        |   |   |                                  | 04/08/2017 off Market Purchase          |                                  |

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                                 | 36209                            | -               | -        | 36209              |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                             | 36209                            | -               | -        | 36209              |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | -                                | -               | -        | -                  |
| • Reduction   | (36209)                          | -               | -        | (36209)            |
| Net Change  | (36209)                          | -               | -        | (36209)            |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | -                                | -               | -        | -                  |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                             | -                                | -               | -        | -                  |



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

| Sl. no. | Particulars of Remuneration   | Name of MD/ WTD/ Manager  | Total Amount      |
|---------|---|---|-------------------|
|         |   | Ranjana Bhargava (WTD)  |                   |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 1525174<br>-<br>-   | 1525174<br>-<br>- |
| 2.      | Stock Option  | -   | -                 |
| 3.      | Sweat Equity  | -   | -                 |
| 4.      | Commission<br>- as % of profit<br>- others, specify...  | -<br>-<br>-   | -<br>-<br>-       |
| 5.      | Others, please specify  | -   | -                 |
|         | Total (A)   | 1525174   | 1525174           |
|         | Ceiling as per the Act  | Being Rs. 120 Lakh per annum per Director as per Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. |                   |

*B. Remuneration to other directors:*

| Sl. no. | Particulars of Remuneration   | Name of Directors  |             | Total Amount    |
|---------|---|--|-------------|-----------------|
|         |   | K.D. Gupta   | M.P. Sharma |                 |
| 1.      | Independent Directors<br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify         | 22000  | 22000       | 44000           |
|         | Total (1)   | 22000  | 22000       | 44000           |
| 2.      | Other Non-Executive Directors<br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify | Rakshita Bhargava<br>20000<br>-<br>-   |             | 20000<br>-<br>- |
|         | Total (2)   | 20000  | -           | 20000           |
|         | Total (B) = (1 + 2)   | 42000  | 22000       | 64000           |
|         | Total Managerial Remuneration   |  |             |                 |
|         | Overall Ceiling as per the Act  | Being Rs. 1 Lac per meeting per Director as per Section 197(5) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. |             |                 |

*C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD*

| Sl. no. | Particulars of Remuneration  | Key Managerial Personnel |                                     |             |                  |
|---------|--|--------------------------|-------------------------------------|-------------|------------------|
|         |  | CEO                      | Company Secretary (Namita Sabarwal) | CFO         | Total            |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -<br>-<br>-              | 120000<br>-<br>-                    | -<br>-<br>- | 120000<br>-<br>- |
| 2.      | Stock Option   | -                        | -                                   | -           | -                |
| 3.      | Sweat Equity   | -                        | -                                   | -           | -                |
| 4.      | Commission<br>- as % of profit<br>- others, specify...   | -<br>-<br>-              | -<br>-<br>-                         | -<br>-<br>- | -<br>-<br>-      |



| Sl. no. | Particulars of Remuneration | Key Managerial Personnel |                                     |     |        |
|---------|-----------------------------|--------------------------|-------------------------------------|-----|--------|
|         |                             | CEO                      | Company Secretary (Namita Sabarwal) | CFO | Total  |
| 5.      | Others, please specify      | -                        | -                                   | -   | -      |
|         | Total                       | -                        | 120000                              | -   | 120000 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/COU RT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                            |                                    |
| Penalty                             | -                            | -                 | -  | -                          | -                                  |
| Punishment                          | -                            | -                 | -  | -                          | -                                  |
| Compounding                         | -                            | -                 | -  | -                          | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                             | -                            | -                 | -  | -                          | -                                  |
| Punishment                          | -                            | -                 | -  | -                          | -                                  |
| Compounding                         | -                            | -                 | -  | -                          | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| Penalty                             | -                            | -                 | -  | -                          | -                                  |
| Punishment                          | -                            | -                 | -  | -                          | -                                  |
| Compounding                         | -                            | -                 | -  | -                          | -                                  |

On behalf of the Board

Sd/-  
Ranjana Bhargava  
Whole Time Director  
DIN: 00234421  
Address: 28-Chandra Vihar,  
Lakhanpur, Kanpur-208002

Sd/-  
Rakshita Bhargava  
Director  
DIN: 00234224  
Address: 28-Chandra Vihar, Lakhanpur,  
Kanpur-208002

Place: Kanpur  
Date: 17<sup>th</sup> May, 2018



## **SECRETARIAL AUDIT REPORT**

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[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,  
**Ema India Limited**  
**C-37 Panki Industrial Area**  
**P O Udyog Nagar**  
**Kanpur - 208022**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **EMA INDIA LIMITED (CIN:L27201UP1971PLC003408)** (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 our 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 year ended on 31<sup>st</sup> March, 2018, 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 Company for the year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 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, as amended from time to time;
  - b. 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 notified on 28<sup>th</sup> October, 2014 (**Not applicable to the company during the audit period**);
  - 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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (**Not applicable to the company during the audit period**);
  - 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**).
  - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

II.

- *The Central Goods & Service Tax Act, 2017 and rules framed thereunder*
- *The Integrated Goods & Service Tax Act, 2017 and rules framed thereunder*





- *The Union Territory Goods & Service Tax Act, 2017*
- *The Uttar Pradesh Value Added Tax, 2008*
- *Central Sales Tax, 1956 and rules framed thereunder*
- *The Factories Act, 1948 as amended in 1987*
- *Workmen's Compensation Act, 1923*
- *The Employees' State Insurance Act, 1948*
- *The Employees' Provident Fund and Miscellaneous Provisions Act, 1952*
- *The Maternity Benefit Act, 1961 and Rules 1965*
- *The Payment of Wages Act, 1936 and Rules framed thereunder*
- *The Payment of Bonus Act, 1965 and Rules 1975*
- *The Employment Exchange (Compulsory Notification of Vacancies) Rules, 1960*
- *The Central Excise Act, 1944*
- *The Custom Act, 1962*
- *Service Tax Rules, 1994*

During the year under review the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

*As per explanation provided by the management, no sector specific laws are applicable to the company.*

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government.
- b. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

**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. The changes in the composition of the Board of Directors that took place during the year 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, agenda and detailed notes on agenda 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.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

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 report the company has not taken any corporate actions having a major bearing on the company's affairs.

**For K N Shridhar & Associates  
(Company Secretaries)**

Sd/-

**K.N. Shridhar**  
Proprietor  
(Membership No.: F3882)  
(CP No.: 2612)

Date: 17.05.2018

Place: Kanpur

**EMA INDIA LIMITED**



## INDEPENDENT AUDITORS' REPORT

### To the Members of EMA INDIA LIMITED

#### Report on financial Statements

1. We have audited the accompanying financial statements of EMA INDIA LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, *statement of changes in equity* and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these 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 there under. 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 financial statements are free from material misstatement
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements

#### Opinion

6. 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 of the state of affairs of the Company as at 31st March 2018, its loss, *statement of changes in equity* and its cash flows for the year ended on that date

#### Report on Other Legal and Regulatory Requirements

7. 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.
8. As required by section 143(3) of the Act, we further 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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, *statement of changes in equity* and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. In respect of recognition of deferred tax assets, we have relied on management view given in Note No. 3.
  - (e) On the basis of the written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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 does not have pending litigations which would impact its financial position.
    - ii) The Company did not have long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise;
    - iii) There was no amount which was required to be transferred to the Investor Education and protection fund by the company

For RISHABH & CO.  
CHARTERED ACCOUNTANTS  
FRN 010915C  
Sd/-  
CA Raghubir Singh  
Partner  
(M. 015285)

Place: KANPUR  
Date :17/05/2018

EMA INDIA LIMITED



## Annexure A to Auditors Report

Annexure referred to in our report of even date to the members of EMA INDIA LIMITED for the year ended on 31<sup>st</sup> March 2018

**ANNEXURE referred to in paragraph 7 of our Report of even date to the members of EMA INDIA LIMITED on the accounts of the company for the year ended 31st March, 2018**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect to fixed assets
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
  - b. As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable , as informed to us no material discrepancies were noticed on such verification;
  - c. As explained to us, The title deed of immovable property is held in the name of Company.
- ii. In respect of its inventories;
  - a. The inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification is reasonable
  - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. Company has not given any loan to directors covered under section 185 of Companies Act 2013, and has not made any investment covered under section 186 of Companies Act 201, hence clause is not applicable;
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government under sub-section (1) of Section 148 of the Act for the maintenance of cost records. We are of the opinion that prima facie such accounts and records have been made and maintained, however we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, GST and other material statutory dues, as applicable, with the appropriate authorities in India ;  
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, GST which have not been deposited on account of any disputes.
- viii. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in any loans from any financial institution or banks and has not issued debentures
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised money by way of Initial Public Offer (IPO) or further public offer (including debt instrument) during the year. Company is not having any term loan;
- x. In our opinion, and according to the information and explanations given to us, and to the best of our knowledge and belief no fraud by the company or on the company by its officer or employees has been noticed or reported during the course of our audit;
- xi. In our opinion, and according to the information and explanations given to us, Managerial Remuneration has been paid/ provided accordance with requisite approvals as per Companies Act 2013 ;
- xii. Company is not a Nidhi Company;
- xiii. In our opinion, and according to the information and explanations given to us, all transaction with related party are in compliance with section 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standard;
- xiv. In our opinion, and according to the information and explanations given to us, The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, company has not entered into any non-cash transactions with Directors or person connected with him;
- xvi. The company is not required to be registered with RBI under section 45 IA of Reserve Bank of India.

**For RISHABH & CO.,**  
**CHARTERED ACCOUNTANTS**  
FRN 010915C  
Sd/-  
CARaghubir Singh  
Partner  
(M. 015285)

Place: KANPUR  
Date : 17/05/2018

**EMA INDIA LIMITED**



## Annexure-B to the Auditors Report

Annexure referred to in our report of even date to the members of EMA INDIA LIMITED for the year ended 31 March 2018

### 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 controls over financial reporting of "EMA INDIA LIMITED" ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for 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 Companies Act, 2013.

#### Auditors' 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 2018, 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.

**For RISHABH& CO.,  
CHARTERED ACCOUNTANTS**

FRN 010915C

Sd/-

CA Raghubir Singh

Partner

(M. 015285)

Place: KANPUR

Date : 17/05/2018

**EMA INDIA LIMITED**



## BALANCE SHEET AS AT 31.03.2018

( All amounts in Rupees, unless otherwise stated )

| Particulars                            | Notes | As at<br>March 31,2018 | As at<br>March 31,2017 | As at<br>April 1,2016 |
|--|-------|------------------------|------------------------|-----------------------|
| <b>ASSETS</b>                          |       |                        |                        |                       |
| <b>Non-Current Assets</b>              |       |                        |                        |                       |
| Property, Plant and Equipment          | 1     | 2,408,316              | 3,225,305              | 5,421,034             |
| Financial Assets:                      |       | -                      | -                      | -                     |
| i. Other Financial assets              | 2     | 264,830                | 264,830                | 264,998               |
| Deferred tax assets (net)              | 3     | -                      | -                      | 23,190,928            |
| <b>Total Non-Current Assets</b>        |       | <b>2,673,146</b>       | <b>3,490,135</b>       | <b>28,876,960</b>     |
| <b>Current Assets</b>                  |       |                        |                        |                       |
| Inventories                            | 4     | 1,385,476              | 1,586,394              | 10,259,689            |
| Financial Assets:                      |       |                        |                        |                       |
| i. Investments                         | 5     | 15,535,419             | 14,311,567             | 11,383,372            |
| ii. Trade receivables                  | 6     | 4,900                  | 14,053                 | 560,152               |
| iii. Cash and cash equivalents         | 7     | 406,795                | 5,426,650              | 3,163,361             |
| iv. Loans                              | 8     | 27,000                 | 360,109                | 360,967               |
| Other current assets                   | 9     | 674,819                | 1,633,989              | 1,628,462             |
| <b>Total Current Assets</b>            |       | <b>18,034,408</b>      | <b>23,332,762</b>      | <b>27,356,003</b>     |
| <b>Total Assets</b>                    |       | <b>20,707,554</b>      | <b>26,822,897</b>      | <b>56,232,963</b>     |
| <b>EQUITY AND LIABILITIES</b>          |       |                        |                        |                       |
| <b>Equity</b>                          |       |                        |                        |                       |
| Equity share capital                   | 10    | 10,050,000             | 10,050,000             | 10,050,000            |
| Other Equity                           |       |                        |                        |                       |
| Reserve & Surplus                      | 11    | 8,890,551              | 13,023,643             | 41,778,536            |
| <b>Total Equity</b>                    |       | <b>18,940,551</b>      | <b>23,073,643</b>      | <b>51,828,536</b>     |
| <b>LIABILITIES</b>                     |       |                        |                        |                       |
| <b>Non-Current Liabilities</b>         |       |                        |                        |                       |
|  |       | -                      | -                      | -                     |
| <b>Current Liabilities</b>             |       |                        |                        |                       |
| Financial liabilities:                 |       |                        |                        |                       |
| i. Borrowings                          | 12    | -                      | 36,209                 | 26,116                |
| ii. Trade payables                     | 13    | -                      | 237,433                | 485,744               |
| Other current liabilities              | 14    | 525,005                | 785,250                | 1,522,121             |
| Provisions                             | 15    | 1,241,998              | 2,690,362              | 2,370,446             |
| <b>Total Current Liabilities</b>       |       | <b>1,767,003</b>       | <b>3,749,254</b>       | <b>4,404,427</b>      |
| <b>Total Liabilities</b>               |       | <b>1,767,003</b>       | <b>3,749,254</b>       | <b>4,404,427</b>      |
| <b>Total Equity and Liabilities</b>    |       | <b>20,707,554</b>      | <b>26,822,897</b>      | <b>56,232,963</b>     |
| <b>SIGNIFICANT ACCOUNTING POLICIES</b> |       |                        |                        |                       |
| <b>NOTES ON FINANCIAL STATEMENTS</b>   | 1-31  |                        |                        |                       |

The above balance sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached.

**For Rishabh & Co.**

**CA Raghbir Singh**

**Membership No. - 015285**

**Place: Kanpur**

**Date : 17.05.18**

Ranjana Bhargava

Rakshita Bhargava

Krishna Das Gupta

Mahabir Prasad Sharma

Namita Sabarwal

**For and on behalf of the Board**

*Whole Time Director & CFO* DIN: 00234421

*Director* DIN: 00234224

*Director* DIN: 00374379

*Director* DIN: 06491244

*Company Secretary* (M.No. A35411)

**EMA INDIA LIMITED**



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018**

(All amounts in Rupees, unless otherwise stated)

| Particulars   | Notes       | Year ended March<br>31,2018 | Year ended March<br>31,2017 |
|---|-------------|-----------------------------|-----------------------------|
| Revenue from Operations   | 16          | 768600                      | 12935299                    |
| Other Income  | 17          | 913395                      | 718126                      |
| <b>Total income</b>   |             | 1681995                     | 13653425                    |
| <b>Expenses:</b>  |             |                             |                             |
| Cost of Materials consumed  | 18          | 299857                      | 8728961                     |
| Changes in inventories of finished goods<br>work-in-progress and stock in trade   | 19          | 0                           | 776624                      |
| Employee benefits expense   | 20          | 3151168                     | 6718923                     |
| Depreciation and amortization expense   |             | 347214                      | 602814                      |
| Other expenses  | 21          | 2456688                     | 4446943                     |
| Finance Costs   |             | 34465                       | 33693                       |
| <b>Total Expenses</b>   |             | 6289392                     | 21307958                    |
| <b>Loss before tax</b>  |             | (4607397)                   | (7654533)                   |
| <b>Tax Expense</b>  |             |                             |                             |
| Current Tax   |             | 0                           | 0                           |
| Deferred Tax  |             | 0                           | 23190928                    |
| <b>Loss for the year</b>  |             | (4607397)                   | (30845461)                  |
| <b>Other Comprehensive income</b>   |             |                             |                             |
| (A) (i) Items that will not be reclassified to profit or loss                     |             | 474305                      | 2090568                     |
| (ii) Income tax relating to items that will not be reclassified to profit or loss |             | 0                           | 0                           |
| <b>Other comprehensive income for the year</b>                                    |             |                             |                             |
| <b>Total comprehensive income for theyear</b>                                     |             | (4133092)                   | (28754893)                  |
| <b>j) Earnings Per Equity Share</b>   | <b>26</b>   |                             |                             |
| a) Basic  |             | (4.11)                      | (28.61)                     |
| b) Diluted  |             | (4.11)                      | (28.61)                     |
| <b>SIGNIFICANT ACCOUNTING POLICIES<br/>NOTES ON FINANCIAL STATEMENTS</b>          | <b>1-31</b> |                             |                             |

The above statement of profit & loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached.

**For Rishabh & Co.**

**CA Raghur Singh**

**Membership No. - 015285**

**Place: Kanpur**

**Date : 17.05.18**

Ranjana Bhargava

Rakshita Bhargava

Krishna Das Gupta

Mahabir Prasad Sharma

Namita Sabarwal

**For and on behalf of the Board**

*Whole Time Director & CFO* DIN: 00234421

*Director* DIN: 00234224

*Director* DIN: 00374379

*Director* DIN: 06491244

*Company Secretary* (M.No. A35411)

**EMA INDIA LIMITED**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

|  | Rupees    | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|-----------|------------------------|-------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>              |           |                        |                         |
| Net Loss before tax and extraordinary items                |           | (4607397)              | (7654534)               |
| <b>Adjustment for :</b>                                    |           |                        |                         |
| Depreciation   | 347214    |                        | 602814                  |
| Deferred Revenue Expenses written off                      | 0         |                        | 0                       |
| Interest Expenses  | 34465     |                        | 33693                   |
| (Profit)/ Loss on Sale of Investments                      | (449547)  |                        | (376527)                |
| Loss on Investment in Shares                               | 0         |                        | 0                       |
| (Profit)on Sale/Disposal of LAND/BUILDING                  | 0         |                        | 0                       |
| (Profit )/Loss on Sale/Disposal of Assets                  | (332772)  |                        | (1048695)               |
| Interest/Dividend Income                                   | 0         |                        | 0                       |
|  |           | (400640)               | (788715)                |
| Operating Loss before working capital changes              |           | (5008036)              | (8443249)               |
| <b>Adjustment for :</b>                                    |           |                        |                         |
| Trade and other Receivables                                | 1314442   |                        | 624949                  |
| Inventories  | 200918    |                        | 8673295                 |
| Trade payable and other Liabilities                        | (1982251) |                        | (655172)                |
| Long-term Loans and Advances                               | 0         |                        | 168                     |
|  |           | (466892)               | 8643240                 |
| Cash generated from operations                             |           | (5474927)              | 199991                  |
| Direct Taxes Paid (Net)                                    |           | 13009                  | 83519                   |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>               |           | (5487936)              | 116472                  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>              |           |                        |                         |
| Purchase of fixed assets                                   | 0         |                        | (16390)                 |
| Sale of fixed assets                                       | 802548    |                        | 2658000                 |
| Sale/(Purchase) of Trade Investments (Net)                 | (300000)  |                        | (461101)                |
| Interest/Dividend Income                                   | 0         |                        | 0                       |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                  |           | 502548                 | 2180509                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>              |           |                        |                         |
| Proceeds from long term borrowings                         | 0         |                        | 0                       |
| Interest paid  | (34465)   |                        | (33693)                 |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                  |           | (34465)                | (33693)                 |
| <b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b> |           | (5019853)              | 2263289                 |
| <b>CASH &amp; CASH EQUIVALENTS</b>                         |           |                        |                         |
| Opening Balance as at 01.04.2017                           |           | 5426650                | 3163361                 |
| Closing Balance as at 31.03.2018                           |           | 406795                 | 5426650                 |

As per our Report of even date attached.

**For Rishabh & Co.**

**CA Raghbir Singh**

**Membership No. - 015285**

**Place: Kanpur**

**Date : 17.05.18**

Ranjana Bhargava

Rakshita Bhargava

Krishna Das Gupta

Mahabir Prasad Sharma

Namita Sabarwal

**For and on behalf of the Board**

*Whole Time Director & CFO* DIN: 00234421

*Director* DIN: 00234224

*Director* DIN: 00374379

*Director* DIN: 06491244

*Company Secretary* (M.No. A35411)

**EMA INDIA LIMITED**



## STATEMENT OF CHANGES IN EQUITY

**A. Equity Share Capital:-**

| <u>Particulars</u>                     | <u>Notes</u> | <u>Amount</u>   |
|--|--------------|-----------------|
| As at April 1, 2016                    | 10           | 10050000        |
| <b>Changes in Equity Share Capital</b> |              |                 |
| As at March 31, 2017                   | 10           | 10050000        |
| <b>Changes in Equity Share Capital</b> |              |                 |
| As at March 31, 2018                   | 10           | <u>10050000</u> |

**B. Other Equity:-**

| Particulars                             | Equity Component of Compound Financial Instruments | Reserve and Surplus |                          |                 |                  | FVOCI Equity Investment | Total Other Equity |
|---|--|---------------------|--------------------------|-----------------|------------------|-------------------------|--------------------|
|   |  | Capital Reserve     | Security premium Reserve | General Reserve | Retained Earning |                         |                    |
| <b>Balance as at April 1, 2016</b>      | 0  | 2500000             | 2750000                  | 34366367        | 0                | 2162169                 | 41778536           |
| Profit for the year                     |  |                     |                          |                 | -30845461        |                         | -30845461          |
| Other Comprehensive Income              |  |                     |                          |                 |                  | 2090568                 | 2090568            |
| Total Comprehensive Income for the year | 0  | 0                   | 0                        | 0               | -30845461        | 2090568                 | -28754893          |
| Transfer to General Reserve             |  |                     |                          | -30845461       | 0                |                         | 0                  |
| <b>Balance as at March 31, 2017</b>     | 0  | 2500000             | 2750000                  | 3520906         | 0                | 4252737                 | 13023643           |
| <b>Balance as at April 1, 2017</b>      | 0  | 2500000             | 2750000                  | 3520906         | 0                | 4252737                 | 13023643           |
| Profit for the year                     |  |                     |                          |                 | -4607397         |                         | -4607397           |
| Other Comprehensive Income              |  |                     |                          |                 |                  | 474305                  | 474305             |
| Total Comprehensive Income for the year | 0  | 0                   | 0                        | 0               | -4607397         | 474305                  | -4133092           |
| Transfer to General Reserve             |  |                     |                          | -4607397        | 0                |                         | 0                  |
| <b>Balance as at March 31, 2018</b>     | 0  | 2500000             | 2750000                  | -1086491        | 0                | 4727042                 | 8890551            |

As per our Report of even date attached.

**For Rishabh & Co.**

**CA Raghunir Singh**

**Membership No. - 015285**

**Place: Kanpur**

**Date : 17.05.18**

**For and on behalf of the Board**

*Whole Time Director & CFO* **DIN: 00234421**

*Director* **DIN: 00234224**

*Director* **DIN: 00374379**

*Director* **DIN: 06491244**

*Company Secretary* **(M.No. A35411)**

**Ranjana Bhargava**

**Rakshita Bhargava**

**Krishna Das Gupta**

**Mahabir Prasad Sharma**

**Namita Sabarwal**





## SIGNIFICANT ACCOUNTING POLICIES

### (a) SYSTEM OF ACCOUNTING

#### Compliance with Ind AS

The financial statement comply in all material aspects 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 the year ended March 31 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards )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 Financial Statements of the Company are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and other pronouncements of the Institute of Chartered Accountants of India. The Company follows the mercantile system of accounting & recognizes income & expenditure on accrual basis except in respect of following where the exact quantum cannot be ascertained:

- (i) Claims lodged against and / or by the Company.
- (ii) Discounts allowed to customers on confirmation / settlement.
- (iii) Government Taxes and other statutory dues except otherwise specified.

### (b) USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### (c) OWNED FIXED ASSETS

Tangible assets are stated at cost net of tax/duty credit availed, if any, less accumulated depreciation. Cost represents cost of acquisition inclusive of inward freight and incidental expenses related to acquisition and adjustments arising from foreign exchange rate variations, if any. Intangible assets (Technical know how) are stated at cost of acquisition less accumulated depreciation. **TRANSITION TO IND AS** On transition to Ind AS , the company has elected to continue with the carrying value of all of its property, plant and equipment as well as all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property , plant , equipment and intangible assets.

### (d) DEPRECIATION & AMORTISATION

Leasehold Land is amortized over the period of lease. Depreciation on other Tangible Assets is provided for on straight-line method as per their useful lives specified in Schedule II of the Companies Act, 2013 .

### (e) INVESTMENTS AND OTHER FINANCIAL ASSETS

The company classifies its financial assets in the following measurement categories.

- (i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (ii) Those measured at amortised cost.

For assets measured at fair value , gains and losses will either be recorded in profit or loss or other comprehensive income. For investments, in equity or debt instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity or debt investment at fair value through other comprehensive income.

The classification depends on the contractual terms of cash flows and how the entity manages the financial assets.

### (f) INVENTORIES

Inventories are valued at Lower of Cost or Net Realizable Value. Cost of raw material & components and stores & spare parts are determined on weighted average basis. Cost of material is arrived at after adjustment of, where applicable, any duty / VAT credit availed or to be availed. Work in process are valued at direct cost. Finished goods are valued at lower of cost or net realizable value. Cost includes related overhead and excise duty Payable for such goods wherever applicable.

### (g) SALES

Revenue from sales is recognized upon despatch to customers. Sales (net of returns) are inclusive of packing charges and exchange variations arising out of export sales transactions but excluding Sales Tax/VAT.

### (h) RESEARCH AND DEVELOPMENT

Expenditure related to capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the year in which they are incurred.

**EMA INDIA LIMITED**



(i) **FOREIGN CURRENCY TRANSACTIONS**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets & liabilities and realized gains & losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss Account. Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted in the cost of such fixed assets.

(j) **EMPLOYEE BENEFITS**

(i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit & Loss A/c of the year in which the related service is rendered.

(ii) Short term liability for accumulated earned leave encashment Payable to employees at the end of the year provided for.

(iii) Post retirement and other long term benefits are recognized as an expense in the Profit & Loss A/c for the year in which Employee has rendered services. The expense is recognized at the present value of amount Payable determine using actuarial valuation.

(k) **BORROWING COSTS**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(l) **DEFERRED REVENUE EXPENDITURE**

(i) The design and development cost paid is treated as Deferred Revenue Expenditure to be written off in six equal installments.

(ii) Compensation paid to employees taking voluntary retirement is treated as Deferred Revenue Expenditure to be written off in five equal installments.

(m) **PROVISION FOR CURRENT & DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals in Company's cases. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. The effect of tax rate change is considered in the Profit & Loss Account of the respective year of change.

(n) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.



## NOTES ON FINANCIAL STATEMENTS

|                          | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>1.4.2016 |
|--------------------------|---------------------|---------------------|-------------------|
| <b>1 TANGIBLE ASSETS</b> | <b>2408316</b>      | <b>3225305</b>      | <b>5421034</b>    |
| As separately given      |                     |                     |                   |

### NOTE ' 1 ' : TANGIBLE ASSETS----31.03.2018

|                      | GROSS BLOCK       |               |                  | DEPRECIATION      |                   |                | NET BLOCK        |                   |                  |                  |
|----------------------|-------------------|---------------|------------------|-------------------|-------------------|----------------|------------------|-------------------|------------------|------------------|
|                      | 01.04.2017        | Additions     | Deletions        | 31.03.2018        | 01.04.2017        | For the year   | Deletions        | 31.03.2018        | 31.03.2018       | 31.3.2017        |
| Land (Leasehold)     | 90,205            | 0             | 0                | 90,205            | 41,106            | 1,002          | 0                | 42,108            | 48,097           | 49,099           |
| Building             | 5,702,708         | 0             | 0                | 5,702,708         | 4,928,433         | 21,267         | 0                | 4949700           | 753,008          | 774,275          |
| Plant & Machinery    | 12,838,614        | 0             | 5,056,157        | 7,782,457         | 11,831,432        | 70,040         | 4,586,382        | 7315090           | 467,367          | 1,007,182        |
| Utility Sub stations | 548,912           | 0             | 0                | 548,912           | 521,467           | 0              | 0                | 521467            | 27,446           | 27,446           |
| Computers            | 1,731,725         | 0             | 0                | 1,731,725         | 1,647,364         | 0              | 0                | 1647364           | 84,361           | 84,361           |
| Cooling Equipments   | 840,902           | 0             | 0                | 840,902           | 723,027           | 12,474         | 0                | 735502            | 105,400          | 117,875          |
| Office Equipments    | 952,989           | 0             | 0                | 952,989           | 845,490           | 18,131         | 0                | 863621            | 89,367           | 107,498          |
| Furniture & Fixtures | 843,772           | 0             | 0                | 843,772           | 805,449           | 1,400          | 0                | 806850            | 36,922           | 38,322           |
| Vehicles             | 1,886,208         | 0             | 0                | 1,886,208         | 866,961           | 222,900        | 0                | 1089861           | 796,347          | 1,019,247        |
| <b>GRAND TOTAL</b>   | <b>25,436,035</b> | <b>0</b>      | <b>5,056,157</b> | <b>20,379,878</b> | <b>22,210,731</b> | <b>347,214</b> | <b>4,586,382</b> | <b>17,971,563</b> | <b>2,408,316</b> | <b>3,225,305</b> |
| <b>PREVIOUS YEAR</b> | <b>30,184,526</b> | <b>16,390</b> | <b>4,764,881</b> | <b>25,436,035</b> | <b>24,763,493</b> | <b>602,814</b> | <b>3,155,577</b> | <b>22,210,731</b> | <b>3,225,305</b> | <b>5,421,034</b> |

|   |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>2 LONG TERM LOANS &amp; ADVANCES</b> | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| VAT recoverable                         | 0                 | 0                 | 168             |
| Security Deposits                       | 264830            | 264830            | 264830          |
| <b>TOTAL</b>                            | <b>264830</b>     | <b>264830</b>     | <b>264998</b>   |

|   |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>3 DEFERRED TAX ASSETS</b>  | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| The Company estimates the deferred tax credit / (charge) using the applicable rate of tax based on the impact of timing differences between financial statements and estimated taxable income for the current year. The Deferred Tax assets |                   |                   |                 |
| (a) Deferred Tax Assets - OPENING   | (0)               | 23190928          | 21804909        |
| (b) ADD-CURRENT PERIOD  | 0                 | (23190928)        | 1386019         |
| <b>NET DEFERRED TAX ASSETS</b>  | <b>0</b>          | <b>(0)</b>        | <b>23190928</b> |

The company had been recognising the Deferred Tax Asset upto the last year on the estimates that there will be sufficient future taxable profit to utilise the tax loss. However, by the reviewed estimation by the management, the likelihood that this tax loss can be utilised in the near future, has fallen down and it has been prudently decided to write off the deferred tax asset.

|   |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>4 INVENTORIES (As certified by the management)</b> | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Stores and Spares                                     | 0                 | 0                 | 488058          |
| Raw Materials and Components                          | 261907            | 462824            | 7871437         |
| Work-in-Process                                       | 1123569           | 1123569           | 1900194         |
| <b>TOTAL</b>  | <b>1385476</b>    | <b>1586394</b>    | <b>10259689</b> |

|  |                   |                   |                 |
|--|-------------------|-------------------|-----------------|
| <b>5 CURRENT INVESTMENTS</b>             |                   |                   |                 |
| <b>TRADE INVESTMENTS</b>                 | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| <b>(i) ABSL Dynamic Bond Fund-Growth</b> | <b>4467080</b>    | <b>5321155</b>    | <b>4483527</b>  |
| Nos. of Units                            | 206787            | 251572            | 235103          |
| Cost - Rupees                            | 4467080           | 5321155           | 4483527         |
| Market Value- Rupees                     | 6199997           | 7304126           | 6192795         |
| <b>(ii) ABSL Cash Manager-Growth</b>     | <b>1603622</b>    | <b>0</b>          | <b>0</b>        |
| Nos. of Units                            | 3915              | 0                 | 0               |
| Cost - Rupees                            | 1603622           | 0                 | 0               |
| Market Value- Rupees                     | 1634867           | 0                 | 0               |
| <b>(iii) ABSL Equity Fund -Growth</b>    | <b>4737675</b>    | <b>4737675</b>    | <b>4737675</b>  |
| Nos. of Units                            | 11188             | 11188             | 11188           |
| Cost - Rupees                            | 4737675           | 4737675           | 4737675         |
| Market Value- Rupees                     | 7700554           | 7007440           | 5190576         |
| <b>TOTAL Cost - Rupees</b>               | <b>10808377</b>   | <b>10058830</b>   | <b>9221202</b>  |
| <b>TOTAL Market Value - Rupees</b>       | <b>15535419</b>   | <b>14311567</b>   | <b>11383372</b> |

|   |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>6 TRADE RECEIVABLES (Unsecured):</b> | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Other Debts-Considered Good             | 4900              | 14053             | 560152          |
| <b>TOTAL</b>                            | <b>4900</b>       | <b>14053</b>      | <b>560152</b>   |



|  |                   |                   |                 |
|--|-------------------|-------------------|-----------------|
| <b>7 CASH &amp; CASH EQUIVALENTS</b>   | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| (i) Balance with Banks in Current Accounts   | 320484            | 2098872           | 334335          |
| (ii) Cash in hand  | 86312             | 97033             | 5370            |
| (iii) Fixed Deposits with Bank   | 0                 | 3230745           | 2823657         |
| <b>TOTAL</b>   | <b>406795</b>     | <b>5426650</b>    | <b>3163361</b>  |
| <b>8 SHORT TERM LOANS &amp; ADVANCES (Unsecured, considered good)</b>  | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Advances to Suppliers  | 27000             | 0                 | 858             |
| Other Advances   | 0                 | 360109            | 360109          |
| <b>TOTAL</b>   | <b>27000</b>      | <b>360109</b>     | <b>360967</b>   |
| <b>9 OTHER CURRENT ASSETS</b>  | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Advance Income Tax (Net of Provisions)   | 574226            | 1569945           | 1563202         |
| Balance with Statutory / Government authorities  | 67832             | 30121             | 11477           |
| Prepaid Expenses   | 32761             | 33923             | 53784           |
| <b>TOTAL</b>   | <b>674819</b>     | <b>1633989</b>    | <b>1628462</b>  |
| <b>10 SHARE CAPITAL</b>  | <b>As at</b>      | <b>As at</b>      | <b>As at</b>    |
| <b>AUTHORISED</b>  | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| 17,50,000 Equity Shares of Rs. 10/- each   | 17500000          | 17500000          | 17500000        |
| 25,000 Preference Shares of Rs.100/- each  | 2500000           | 2500000           | 2500000         |
|  | <b>20000000</b>   | <b>20000000</b>   | <b>20000000</b> |
| <b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>  |                   |                   |                 |
| 10,05,000 Equity Shares of Rs. 10/- each   | 10050000          | 10050000          | 10050000        |
| <b>TOTAL</b>   | <b>10050000</b>   | <b>10050000</b>   | <b>10050000</b> |
| <b>● Shareholders holding more than 5% in the company as on 31.03.2018</b>   | <b>Nos</b>        | <b>Nos</b>        | <b>Nos</b>      |
| Pradip Kumar Bhargava HUF  | 352906            | 352906            | 352906          |
| Rakshita Bhargava  | 71343             | 71243             | 21523           |
| EMA Elektro Maschinen Schultze GmbH & Co.  | 68755             | 68755             | 68755           |
| <b>TOTAL</b>   | <b>493004</b>     | <b>492904</b>     | <b>443184</b>   |
| <b>● Change in the Share Capital</b>   | <b>NIL</b>        | <b>NIL</b>        | <b>NIL</b>      |
| Change in Shareholders holding more than 5%  | NIL               | NIL               | NIL             |
| <b>● Equity shares allotted as fully paid up pursuant to a contract without payment being received in cash for the period of five years immediately preceeding the date of Balance Sheet</b> | <b>NIL</b>        | <b>NIL</b>        | <b>NIL</b>      |
| <b>● Equity shares allotted as fully paid up by way of bonus shares by capitalization of General Reserve for the period of five years immediately preceeding the date of Balance Sheet</b>   | <b>NIL</b>        | <b>NIL</b>        | <b>NIL</b>      |
| <b>11 RESERVES &amp; SURPLUS</b>   | <b>31.3.2018</b>  | <b>31.03.2017</b> | <b>1.4.2016</b> |
| <b>CAPITAL RESERVE</b>   |                   |                   |                 |
| Capital Investment Subsidy - As per last Balance Sheet   | 2500000           | 2500000           | 2500000         |
| <b>SECURITY PREMIUM ACCOUNT</b>  |                   |                   |                 |
| Premium received on issue of Equity Shares - As per last Balance Sheet   | 2750000           | 2750000           | 2750000         |
| <b>GENERAL RESERVE</b>   |                   |                   |                 |
| Balance at the beginning of the year   | 7773643           | 36528536          | 36528536        |
| (Less) : Shortfal in depreciation consequent upon changes in useful life of assets provided  | 0                 | 0                 | 0               |
| (Less) : Transferred to current year Statement of Profit & Loss  | (4133092)         | (28754893)        | 0               |
| <b>Balance at the end of the year</b>  | <b>3640551</b>    | <b>7773643</b>    | <b>36528536</b> |



**PROFIT & LOSS ACCOUNT**

|  |                   |                   |                 |
|--|-------------------|-------------------|-----------------|
| Balance at the beginning of the year                                 | 0                 | 0                 | 0               |
| Add / ( Less ) : Profit / (Loss) for the year                        | (4133092)         | (28754893)        | 0               |
| Transferred from General Reserve                                     | (4133092)         | (28754893)        | 0               |
| <b>Balance at the end of the year</b>                                | <b>0</b>          | <b>0</b>          | <b>0</b>        |
| <b>TOTAL</b>   | <b>8890551</b>    | <b>13023643</b>   | <b>41778536</b> |
| <b>12 SHORT TERM BORROWINGS</b>                                      | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| <b>FROM STATE BANK OF INDIA - SECURED</b>                            | <b>0</b>          | <b>36209</b>      | <b>26116</b>    |
| .Overdraft is secured against pledge of fixed deposit of the company |                   |                   |                 |
| <b>13 TRADE Payables</b>   | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| <b>SUNDRY CREDITORS</b>  |                   |                   |                 |
| Due to Micro, Small & Medium Enterprises (less than six months)      | 0                 | 0                 | 45494           |
| Due to Others  | 0                 | 237433            | 440250          |
| <b>TOTAL</b>   | <b>0</b>          | <b>237433</b>     | <b>485744</b>   |
| <b>14 OTHER CURRENT LIABILITIES</b>                                  | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Advances from Customers  | 152972            | 139560            | 876530          |
| Salaries & Benefits Payable  | 137109            | 133164            | 204727          |
| Bonus Payable  | 21217             | 40672             | 48413           |
| Tax deducted at source Payable                                       | 818               | 994               | 995             |
| Central Sales Tax / Vat Payable                                      | 1890              | 5008              | 0               |
| Provisions for expenses  | 89988             | 34758             | 136579          |
| Creditors for services   | 121011            | 431094            | 254878          |
| <b>TOTAL</b>   | <b>525005</b>     | <b>785250</b>     | <b>1522121</b>  |
| <b>15 SHORT TERM PROVISIONS</b>                                      | <b>31.03.2018</b> | <b>31.03.2017</b> | <b>1.4.2016</b> |
| Provision for Employee Benefits                                      |                   |                   |                 |
| ESI Payable  | 959               | 1728              | 1399            |
| PF Payable   | 17054             | 15716             | 39981           |
| Leave encashment Payable   | 1223985           | 2672918           | 2329066         |
| <b>TOTAL</b>   | <b>1241998</b>    | <b>2690362</b>    | <b>2370446</b>  |
| <b>16 REVENUE FROM OPERATIONS</b>                                    | <b>31.03.2018</b> | <b>31.03.2017</b> |                 |
| <b>16.1 SALE OF PRODUCTS</b>   |                   |                   |                 |
| Induction Heating Equipments produced & sold - Numbers               | 0                 | 0                 |                 |
| Sale Value of Equipments - Rupees                                    | 0                 | 0                 |                 |
| Tools, Spares & Upgrading etc (in lot) - Rupees                      | 831321            | 12873175          |                 |
| <b>Gross Sale</b>  | <b>831321</b>     | <b>12873175</b>   |                 |
| Less: Excise Duty & Cess Realised                                    | 62721             | 868297            |                 |
| <b>NET SALES</b>   | <b>768600</b>     | <b>12004878</b>   |                 |
| There is no opening or closing stock of goods produced.              |                   |                   |                 |
| <b>16.2 SALE OF SERVICES</b>   |                   |                   |                 |
| Technical Assistance & Process Support Charges                       | 0                 | 930421            |                 |
| <b>TOTAL</b>   | <b>768600</b>     | <b>12935299</b>   |                 |
| <b>17 OTHER INCOME</b>   |                   |                   |                 |
| Duty Draw Back Received  | 0                 | 18491             |                 |
| Short Term Capital Gain on Redemption of Investments                 | 449547            | 376527            |                 |
| Balances no longer Payable written back                              | 0                 | 69659             |                 |
| Interest on Income Tax Refund  | 332083            | 33125             |                 |
| Exchange Fluctuations  | 0                 | 0                 |                 |
| Interest on Deposits with Scheduled Banks                            |                   |                   |                 |
| (Tax Deducted at source Rs 13009 /- Previous year Rs. 22209/-)       | 131765            | 220324            |                 |
| <b>TOTAL</b>   | <b>913395</b>     | <b>718126</b>     |                 |
| <b>18 COST OF RAW MATERIAL CONSUMED</b>                              | <b>31.03.2018</b> | <b>31.03.2017</b> |                 |
| <b>PARTICULARS</b>   |                   |                   |                 |
| Imported (in Rupees)   | 0                 | 2568855           |                 |
| (in percentage)  | 0                 | 29                |                 |
| Indigenous (in Rupees)   | 299857            | 6160106           |                 |
| (in percentage)  | 100               | 71                |                 |
| <b>TOTAL IN RUPEES</b>   | <b>299857</b>     | <b>8728961</b>    |                 |

It is not practical to furnish detailed item wise information of raw materials & components consumed in view of the large number of items which differ in size & nature, each being less than ten percent in value of the total value.



**19 DECREASE IN INVENTORY OF WORK IN PROCESS**

|                      |          |               |
|----------------------|----------|---------------|
| Opening Stock        | 1123569  | 1900194       |
| Less : Closing Stock | 1123569  | 1123569       |
| <b>TOTAL</b>         | <b>0</b> | <b>776624</b> |

**20 EMPLOYEE BENEFIT EXPENSES**

|  |                |                |
|--|----------------|----------------|
| Salaries, Wages and Bonus etc.                               | 2813470        | 5708837        |
| Contribution to Provident and other Funds (Refer Note No 29) | 282609         | 569035         |
| Employees Welfare Expenses                                   | 55089          | 441051         |
| <b>TOTAL</b>   | <b>3151168</b> | <b>6718923</b> |

**21 OTHER EXPENSES**

|  | <b>31.03.2018</b> | <b>31.03.2017</b> |
|--|-------------------|-------------------|
| Stores and Spares Consumed (100% Indigenous)                 | 0                 | 713167            |
| Power and Electrical Charges                                 | 599448            | 936506            |
| Repairs to Building  | 60402             | 24231             |
| Repairs to Plant and Machinery                               | 0                 | 44568             |
| Rates and Taxes  | 64791             | 66599             |
| Insurance  | 40559             | 65156             |
| Machining charges  | 164396            | 26220             |
| Packing, Forwarding & Freight                                | 12337             | 130397            |
| Travelling Expenses  | 400277            | 1134485           |
| <b>AUDITORS' REMUNERATION</b>                                | <b>30000</b>      | <b>30000</b>      |
| Director Sitting Fees  | 64000             | 48000             |
| Loss/(Profit) on Sale / Disposal of other Fixed Assets (Net) | (332772)          | (1048695)         |
| Professional Fees & Expenses                                 | 433148            | 765491            |
| Security Service Charges                                     | 302542            | 461020            |
| Other Miscellaneous Expenses                                 | 617560            | 1049798           |
| <b>TOTAL</b>   | <b>2456688</b>    | <b>4446943</b>    |

**22 CONTINGENT LIABILITIES & COMMITMENTS**

(i) Claims against the Company for demands raised by ESI Corporation till 2001 not acknowledged as debts - Rs.571813/- (Previous year Rs. 571813/-) out of which Rs. 460109/- (Previous year Rs. 460109/-) has been deposited under protest. Further the company has also disputed the calculation of demand raised by the department. Since the ESI Corporation has not acknowledged the basis of their demand, the difference has not been deposited.

(ii) Claim against the company for various labour cases filed, not acknowledged as debt since the amount is not ascertainable.

**23 C.I.F. VALUE**

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| <b>RAW MATERIAL IMPORTED</b> | <b>31.03.2018</b> | <b>31.03.2017</b> |
|                              | 0                 | 206583            |

**24 EXPENDITURE IN FOREIGN CURRENCY**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
|                      | <b>31.03.2018</b> | <b>31.03.2017</b> |
| Foreign Bank Charges | 0                 | 6970              |
| Travelling           | 146100            | 337500            |
| <b>TOTAL</b>         | <b>146100</b>     | <b>344470</b>     |

**25 EARNINGS IN FOREIGN CURRENCY**

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Export of Goods on F.O.B. Basis</b> | <b>31.03.2018</b> | <b>31.03.2017</b> |
|  | 0                 | 1373243           |

**26 EARNING PER SHARE (EPS)**

|   |                   |                   |
|---|-------------------|-------------------|
|   | <b>31.03.2018</b> | <b>31.03.2017</b> |
| (i) Net Profit/( Loss ) for Equity shareholders - Rupees          | (4133092)         | (28754893)        |
| (ii) Weighted Average number of Equity Shares                     | 1005000           | 1005000           |
| (iii) Basic and Diluted Earnings per share of Rs.10 each - Rupees | (4.11)            | (28.61)           |

**27 EMPLOYEE BENEFITS - As per Accounting Standard-15 (Revised 2005)**

(i) **Gratuity Fund** - Gratuity is administered through Group Gratuity Scheme with LIC and annual premium thereon is paid and accounted for as and when demanded based on actuarial valuation made by LIC as required in Accounting Standard - 15 (revised 2005).

(ii) **Leave Encashment** - Provision for leave encashment has been made by the management.

(iii) **Defined Contribution Plans** - During the financial year ended 31.03.2018, the Company has recognized the following amounts in the Profit & loss account for employee benefits.

**Employer's Contribution to**

|                                   |        |        |
|-----------------------------------|--------|--------|
| Employee's Provident Fund         | 164018 | 360539 |
| Employee's Family Pension Scheme  | 51427  | 97962  |
| Employee's State Insurance Fund   | 38376  | 46480  |
| Employee's Group Insurance Scheme | 8468   | 19102  |
| Employee's Superannuation Fund    | 0      | 0      |

**EMA INDIA LIMITED**



**Gratuity Fund -**

|  |   |   |
|--|---|---|
| Contribution to LIC Group Gratuity Scheme as per demand raised | 0 | 0 |
| Leave Encashment   | 0 | 0 |

**28 RELATED PARTY DISCLOSURES**

As required under AS-18 issued by Institute of Chartered Accountants of India

**(i) Key Management Personnel & their relatives**

- (a) Mrs. Ranjana Bhargava, Whole Time Director  
(b) Ms. Rakshita Bhargava, Director

|   |                   |                   |
|---|-------------------|-------------------|
| <b>(ii) Summary of Transactions</b>             | <b>31.03.2018</b> | <b>31.03.2017</b> |
| <b>Key Management Personnel &amp; Relatives</b> |                   |                   |
| Remuneration                                    | 1525174           | 3261069           |
| Sitting Fees                                    | 20000             | 16000             |
| <b>Other Directors</b>                          |                   |                   |
| Sitting Fees                                    | 44000             | 32000             |

**29 FIRST TIME ADOPTION OF IND AS**

**(i) Transition to Ind AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2017 and in the preparation of an opening IND AS Balance sheet at April 1, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts 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).

**(ii) Fair valuation of investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments measured at FVOCI have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended on March 31, 2017. Fair value changes with respect to investments measured at FVOCI have been recognised in other reserves as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017.

**(iii) Retained earning**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

**(iv) Other comprehensive income:**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "Other comprehensive income". The concept of other comprehensive income did not exist under previous GAAP.

**Reconciliations between previous GAAP and Ind AS (Note-29)**

**Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

|   | March 31, 2017       | April 1, 2016        |
|---|----------------------|----------------------|
| Total equity (shareholder's funds) as per previous GAAP | 20,983,075.00        | 49,666,367.00        |
| Fair valuation of investments                           | 2,090,568.00         | 2,162,169.00         |
| Total adjustments                                       | <b>2,090,568.00</b>  | <b>2,162,169.00</b>  |
| Total equity as per Ind AS                              | <b>23,073,643.00</b> | <b>51,828,536.00</b> |

**Reconciliation of total comprehensive income for the year ended March 31, 2017**

|  | March 31, 2017       |
|--|----------------------|
| Profit after tax as per previous GAAP    | (30,845,461.00)      |
| Fair valuation of investments            | 2,090,568.00         |
| Total adjustments                        | <b>2,090,568.00</b>  |
| Total comprehensive income as per Ind As | <b>28,754,893.00</b> |

30 The Company is engaged in one segment only i.e. Machine Tools for Automotive and other classified industries which are governed by the same set of risk and returns. The said treatment is in accordance with the guiding principle enunciated in the AS-17 on Segment Reporting.

31 Previous year figures have been regrouped / reclassified to conform to this year's classification.

As per our Report of even date attached.

**For Rishabh & Co.**

**CA Raghbir Singh**

**Membership No. - 015285**

**Place: Kanpur**

**Date : 17.05.18**

**For and on behalf of the Board**

Ranjana Bhargava *Whole Time Director & CFO* DIN: 00234421

Rakshita Bhargava *Director* DIN: 00234224

Krishna Das Gupta *Director* DIN: 00374379

Mahabir Prasad Sharma *Director* DIN: 06491244

Namita Sabarwal *Company Secretary* (M.No. A35411)

**EMA INDIA LIMITED**



## EMA INDIA LIMITED

C-37, Panki Industrial Area, P.O. Udyog Nagar, Kanpur – 208022

Ph. : 0512-2691210-11; Fax: 0512-2691214

E-mail : [emaIndia.cs@gmail.com](mailto:emaIndia.cs@gmail.com); Website: [www.eiltd.info](http://www.eiltd.info)

CIN No.: L27201UP1971PLC003408

May 17, 2018

Dear Shareholders,

**Sub: E-mail address–Green Initiative Corporate Governance–Paperless Communication**

**Ref: Circular Nos. 17/2011 & 18/2011 dt. April 21, 2011 and April 29, 2011 respectively, issued by the Ministry of Corporate Affairs, Government of India (MCA)**

The Ministry of Corporate Affairs has taken “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies by way of dispensing with sending Physical Annual Reports of the Company and in lieu thereof sending the documents by E-Mail to its Members. Accordingly in future the Company proposes to send its notice, annual report, etc., in electronic form to its Members in support of the said Green Initiative of the MCA for which E-mail address of the shareholders is required to be registered with the Company.

Please note that the Annual Report / related documents for financial year 2017-18 has been dispatched to the shareholders in physical form as well as uploaded on the website of the Company viz. [www.eiltd.info](http://www.eiltd.info) for the ready reference of its Members. However to enable the company to follow the **Green Initiative in Corporate Governance**, the Members are requested to comply with the following:

- a. Members holding equity shares of the Company in electronic form are requested to register / update their e-mail address with their DP.
- b. Members holding equity shares of the Company in physical form are requested to provide their e-mail address to the Company /RTA urgently.

Please note that as a Member of the Company you are always entitled to receive on request, copy of the said documents, free of cost, in accordance with the provisions of the Companies Act, 2013.

Thanking you for supporting this unique initiative and assuring you of our best attention at all times.

Yours sincerely,  
For EMA India Ltd.

**Ranjana Bhargava**  
Whole-time Director  
DIN: 00234421

EMA INDIA LIMITED



# BOOK - POST

*If undelivered, please return to :*



**EMA INDIA LIMITED**  
C-37, PANKI INDUSTRIAL AREA  
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KANPUR-208 022

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