

Pioneers in Induction Heating & Hardening



EMA INDIA LIMITED

Annual Report 2009-2010

EMA INDIA LIMITED



EMA India Limited

BOARD OF DIRECTORS

P. K. BHARGAVA, *Chairman & Managing Director*
 RANJANA BHARGAVA, *Whole Time Director*
 ALOK NAGORY
 DR. ATUL KAPoor
 RAKSHITA BHARGAVA
 KRISHNA DAS GUPTA (IRS - retired)
 DR. G. N. MATHUR (Alternate - Mrs. Ranjana Mathur)



ISO 9001 : 2000
 Reg. No. : RQ91/2857

STATUTORY AUDITORS

B. C. JAIN & CO.
 Chartered Accountants
 KANPUR-208 001

BANKERS

BANK OF BARODA
 Upton Estate
 Panki Site I
 KANPUR-208 022

IN COOPERATION WITH

EMA INDUTECH GmbH
 Petersberg Strasse 9
 D-74909, Meckesheim
 GERMANY

REGISTERED OFFICE & WORKS

C-37, Panki Industrial Area
 P.O. Udyog Nagar
 KANPUR-208 022

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Ltd.
 Alankit House
 2E/21, Jhandewalan Extension
 NEW DELHI-110 055

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NOTICE

NOTICE is hereby given that 39th Annual General Meeting of Shareholders of **EMA INDIA LIMITED** will be held at the Registered Office of the Company at C-37 Pankaj Industrial Area, P.O. Udyog Nagar, Kanpur 208 022 on Thursday, 30th September 2010 at 11.00 AM to transact the following business :-

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Rakshita Bhargava who retires by rotation at this Annual General Meeting and being eligible offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Place : Kanpur
Date : 29.04.2010

By Order of the Board
P. K. BHARGAVA
Chairman & Managing Director

NOTES :

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies in order to be effective should be duly stamped, completed and signed and must reach at the Registered Office of the Company not less than forty eight hours before the time for holding the Annual General Meeting.

- b) Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- c) The Register of Members of the Company will remain closed from 22.09.2010 to 30.09.2010 (both days inclusive).
- d) Members holding shares in physical form are requested to send request for any change in their address immediately to the Company quoting their Folio Nos. and send the details of their Bank Accounts compulsorily. Members, holding shares in Demat form are requested to send the details of change of their address etc. to their concerned Depository Participants. No direct request from the beneficiaries holding shares in Demat form will be entertained by the Company.
- e) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred final dividend for the financial year ended 31.03.2002 remaining unclaimed for a period of seven years from the date, it first became due for payment, to the **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)** constituted by the Central Government and no claim shall lie against the IEPF or the Company in respect of individual amount(s) so credited to the IEPF.

The details of the amount of Unpaid dividends due for transfer to the Investor Education & Protection Fund are as under:

Financial year ended	Date of Declaration of Dividend	Due date for transfer to IEP Fund
31.03.2003	27.09.2003	18.11.2010
31.03.2004	16.09.2004	08.11.2011
31.03.2005	22.11.2006	14.12.2013
31.03.2006	22.11.2006	14.12.2013
31.03.2007	28.09.2007	24.10.2014

EMA INDIA LIMITED

As per the provisions of the Companies Act, 1956, no claim shall be admissible against money transferred to Investor Education and Protection Fund. Hence, Shareholders whose dividend remain unpaid for any of the above-mentioned financial years, should lodge their claims with the Company before the due date of transfer of amount of unpaid dividend to Investor Education and Protection Fund.

- f) Shareholders who have yet not availed to Electronic Clearing (ECS) facility for receipt of dividend by direct credit to their Bank Accounts are requested to avail this facility to prevent postal loss or any other kind of fraud or embezzlement with their dividend warrant. The shareholders, desiring to do so, may fill in the form attached to this annual report and send it to the Company. This is required to be compulsorily done as per SEBI guidelines.

Those who have already sent the form are not required to send it again.

- g) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- h) Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.

Place : Kanpur
Date : 29.04.2010

By Order of the Board
P. K. BHARGAVA
Chairman & Managing Director

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors are pleased to present the Thirty-ninth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

Operations :

During the financial year under review, the Company had faced adverse business conditions for third successive financial year. The best way to survive in this situation was to take effective remedial measure and the Company continued to focus its attention on cost reduction efforts, improvement in operational efficiencies & assets utilization as well as conserve cash for financial safeguard and improve its margins. With these efforts, though the Company could achieve a turnover of Rs. 35.33 million during the year 2009-10 as against Rs. 62.00 million in the previous year yet the net loss of the Company was reduced to Rs 7.42 million as against Rs. 11.34 million in the previous year.

However with the revival of Auto industry, the trend of enquiries and order booking are very encouraging for current financial year.

As reported last year, in its endeavour to develop economical, new & innovative products & explore new market, your company has entered into a new Joint Venture with another well renowned manufacturing company namely Megatherm Electronics Pvt. Ltd., Kolkata and is hopeful of getting benefited with their expertise & market potential for future growth of the Company.

Dividend :

In view of the operational loss during the year and in order to conserve resources to meet the business requirements, your Directors do not recommend any dividend for the year under review.

Directors :

In accordance with the provisions of Articles of Association of the Company & Section 256 of the Companies Act, 1956, Ms. Rakshita Bhargava retires from the Board by rotation and being eligible offers herself for reappointment. Your Directors recommend her reappointment.

Directors' Responsibility Statement :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state:

- I. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- II. That the Directors have 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 at the end of the financial year and of the loss of the Company for the year;
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the Directors have prepared the Annual Accounts on a going concern basis.

Auditors :

Messrs B.C. Jain & Co., Statutory Auditors retiring at the ensuing Annual General Meeting, having furnished the requisite certificate U/s 224 (1-B) of the Companies Act, 1956 are eligible for re-appointment. The proposal for their reappointment is included in the notice for Annual General Meeting sent herewith.

Secretarial Compliance Certificate :

Pursuant to proviso to Section 383A(1) of the Companies Act, 1956, the Secretarial Compliance Certificate for the financial year 2009-10 obtained from the Company Secretary in Practice is attached to the Annual Report.

EMA INDIA LIMITED

Disclosure of Additional Information:

There has been no material change and commitment affecting the financial position of the Company which has occurred between end of the financial year and the date of this report.

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the annexure to the Report.

The particulars of employees as required to be reported under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, are set out in the Annexure to the Directors' Report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts excluding the aforesaid information are being sent to all the shareholders of the Company. Any shareholder desirous of obtaining such particulars may write to the Company at the Registered Office of the Company.

Listing of Shares:

The Company's shares are listed with Bombay Stock Exchange Ltd., Mumbai and the listing fees thereon are regularly paid.

Industrial Relations:

The industrial relations during the year under report remained cordial.

Acknowledgements:

Your Directors take this opportunity to express their sincere thanks to the Shareholders, Bankers, Customers, Suppliers, Revenue & Administrative Departments and Business Associates for their cordial association & consistent support to the Company and also acknowledge & appreciate the cooperation and contribution by all categories of employees despite adverse business conditions during the year under report.

Place : Kanpur
Date : 29.04.2010

On behalf of the Board
P. K. BHARGAVA
Chairman & Managing Director



ANNEXURE TO DIRECTOR'S REPORT

DISCLOSURE U/S 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. The Company has endeavored to conserve energy consumption, wherever feasible.

B) TECHNOLOGY ABSORPTION AS PER FORM-B

a) Research & Development (R & D)

Specified areas of R & D, benefits derived, Future plan & Expenses incurred

With the development of low cost IGBT Transistors high frequency Generator & Development & re-designing of cost effective induction hardening machines with computerized controls, Company could introduce low cost IGBT Generators resulting in many more enquiries and orders. The Company plans to develop Medium Frequency IGBT Converters for Induction Heating applications and to design and develop special purpose machines for our major customers. The company has incurred Rs. 2.83 lacs towards recurring expenditure on R & D which is 0.74% of the total turnover.

b) Technology Absorption, Adaptation & Innovation

Due to the efforts for new developments in electronics systems and Up-gradation of NC / CNC control machines, new lighter duty designed hardening machines were introduced with cost reduction. Low cost IGBT High Frequency Converters were developed as well as technology was upgraded & delivery time reduced. The Technology for Transistorized Converters, other equipments and parts of Induction Heating Machines imported has been fully absorbed.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

d) Activities relating to export, Initiative taken to : increase exports and Development of New Export market

The Company is always making efforts for Export of complete CNC / PLC Induction Heating Equipments, components of Induction Heating Equipments to U.K., U.S.A., Germany, Iran, Malaysia, Pakistan, Thailand, Chacoslovakia & Turkey and plans to increase export of complete Induction Heating Equipments & Components thereof.

e) Total Foreign Exchange

Used
Earned

Current Year

Rs. 46.49 Lacs *
Rs. 21.00 Lacs

Previous Year

Rs. 22.38 Lacs *
Rs. 34.65 Lacs

Place : Kanpur
Date : 29.04.2010

On behalf of the Board
P. K. BHARGAVA
Chairman & Managing Director

EMA INDIA LIMITED



SECRETARIAL COMPLIANCE CERTIFICATE

C I N : L27201UP1971PLC003409
Authorised Capital : Rs. 2,00,00,000/-
Paid-up Capital : Rs. 1,00,50,000/-

To,
The Members
EMA INDIA LIMITED
C-37, Panki Industrial Area, Kanpur

We have examined the registers, records, books and papers of **EMA INDIA LIMITED** (Company Number L27201UP1971PLC003409) as required to be maintained under the Companies Act, 1956 (hereinafter referred to as 'the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act & the rules made there under.
3. The Company, being a public limited Company, comments with regard to shareholders is not required.
4. The Board of Directors duly met Four (4) times on 28/04/09, 30/07/09, 30/10/09 and 28/01/10 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company has closed its Register of Members during the year under review from 22.09.2009 to 30.09.2009 after making necessary compliance.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 30th September, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minute Book maintained for the purposes.
7. No extra ordinary meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and /or persons or firms or companies referred in the section 285 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act except that the Company has entered into contracts for sale, purchase and supply of goods, materials and services at prices which are, as explained by the management, for cash at prevailing market prices.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain approvals from the Board of Directors, members or Central Government.
12. The Share Transfer Committee of Directors in its meeting has approved the issue of duplicate share certificates and necessary compliance under the applicable Act & rules have been duly complied.
13. The Company has
 - a) not made any allotment of securities during the financial year.
 - b) delivered all the certificates on their lodgment for transfer and transmission in accordance with the provisions of the Act.
 - c) not declared dividend for the year 2008-09 and accordingly no amount was deposited as dividend in a separate bank account.
 - d) deposited the unpaid dividend for the year 2001-02 which had become due for transfer into Investor Education and Protection Fund.
 - e) duly complied with the requirements of section 217 of the act.
14. The Board of Directors of the company is duly constituted.
15. The Company has not appointed any sole-selling agents during the financial year.
16. The Company was not required to obtain any approvals of the Central Govt., Company Law Board, Regional Director, Registrar or such authorities prescribed under the various provisions of the Act during the financial year.
17. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there-under.
18. The Company has not issued any shares, debentures or other securities during the financial year.

EMA INDIA LIMITED



19. The Company had not bought back any shares during the financial year.
20. There was no redemption of preference shares/debentures during the financial year.
21. There were no transactions necessitating the Company to keep in abeyance right to dividend, right shares and bonus shares pending registration of transfer of shares.
22. The Company has not invited/ accepted deposits including unsecured loans falling within the purview of Section 58A during the financial year.
23. The Company has not made any borrowings during the financial year except working capital limits in the ordinary course of business.
24. The Company has not made any loans or advances or given guarantees or provided securities to the other bodies corporate and consequently no register is maintained.
25. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
29. The Company has not altered its Articles of Association during the year.
30. There was no prosecution initiated against or show cause notices received by the Company and also no fines and penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
31. The Company has not received any money as security from its employees during the year.
32. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 41B of the Act.

Place : Karpur
Date : 22.04.2010

Signature
SAKET SHARMA
Company Secretary
C.P. No. : 2665

Annexure A

RECORDS MAINTAINED BY THE COMPANY

- | | |
|----------------------------------------|----------------------------------------|
| 1. Register of Share Transfer | 2. Minutes of Board Meeting |
| 3. Minutes of General Meeting | 4. Minutes of Share Transfer Committee |
| 5. Register of Members | 6. Register of Directors |
| 7. Register of Directors' Shareholding | 8. Register of Allotment |
| 9. Scrip Register | 10. Register of Contracts |
| 11. Register of Mortgage and Charges | 12. Register of Demat |
| 13. Register of Common Seal | |

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2010.

1. Form 23AC Balance Sheet and Form 23ACA Profit & Loss a/c dated 31.03.2009 filed u/s 220 on 22.10.2009
2. Form 20B Annual Return dated 31.10.2009 filed u/s 159 on 12.11.2009
3. Form 66 Compliance Certificate for the year ended 31.03.2009 filed u/s 383A on 15.10.2009
4. Form I for transfer or unclaimed dividend for 2001-02 filed on 26.11.2009.
5. Form 32 for reappointment of Managing Director & Director filed on 20.10.2009.
6. Form 8 for modification of charges filed on 23.01.2010.

EMA INDIA LIMITED

REPORT OF THE AUDITORS**TO THE MEMBERS**

We have audited the attached Balance Sheet of **EMA INDIA LIMITED** Kanpur as at 31st March 2010 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that: -
 - (a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) In our opinion and based on the informations and explanations given to us, none of the Directors of the Company is, prima facie, disqualified as at 31st March 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to Accounts appearing in Schedule 'H' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company, as at 31st March 2010.
 - (ii) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

Place : Kanpur
Date : 29.04.2010

For B.C. JAIN & CO.
Chartered Accountants
K. M. GUPTA
Partner
(M. No. 70469)

EMA INDIA LIMITED

ANNEXURE TO THE AUDITORS' REPORT
TO THE MEMBERS OF EMA INDIA LIMITED
(Referred to in Paragraph (1) of our Report of even date)

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, disposal of fixed assets have been made in normal course of business not effecting 'going concern assumption'.
2. In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and accordingly to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) the Company has maintained proper records of inventories. As explained to us, the discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted or taken any loans, secured or unsecured, to / from Companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of cost records.
9. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, E.S.I., Income Tax, Fringe Benefit Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
10. The Company is not having accumulated losses though it has incurred cash losses during the financial year covered by our audit as well as in the previous year.
11. The Company has not taken any loan from Banks, Financial Institutions or debenture holder.

EMA INDIA LIMITED



12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. The Company has not given any guarantees for loans taken by other from banks or financial institutions.
16. There was no term loan outstanding during the year.
17. On the basis of our examination of the books of accounts and the informations and explanations given to us, no funds were raised on short-term/long term basis.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : Kanpur
Date : 29.04.2010

For B.C. JAIN & CO.
Chartered Accountants
K. M. GUPTA
Partner
(M. No. 70489)

EMA INDIA LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE		As at	As at
	No.	Rs.	31.03.2010	31.03.2009
			Rs.	Rs.
A. SOURCES OF FUNDS				
(1) Shareholders' Funds :				
(A) Share Capital	'A'	1,00,50,000		1,00,50,000
(B) Reserves and Surplus	'B'	<u>6,44,98,744</u>		<u>7,27,10,168</u>
			7,45,48,744	8,27,60,168
(2) Loan Funds :				
Secured Loan - Cash Credit Borrowings (See Schedule 'H' - Note 4)			1,15,73,390	96,74,700
	TOTAL		<u><u>8,61,22,134</u></u>	<u><u>9,24,34,866</u></u>
B. APPLICATION OF FUNDS				
(1) Fixed Assets :				
(A) Gross Block	'C'	5,33,30,892		5,48,16,138
(B) Less : Depreciation		<u>3,18,94,992</u>		<u>3,12,55,196</u>
(C) Net Block			2,14,35,900	2,35,60,940
(2) Investments : (See Schedule 'H' Note 3)				
			50,64,670	50,80,105
(3) Deferred Tax Assets :				
Deferred Tax Balance (Net) (See Schedule 'H' Note 5)			83,82,750	53,59,693
(4) Current Assets, Loans and Advances :				
Less : Current Liabilities and Provisions :	'D'	5,77,54,631		6,51,87,366
	'E'	<u>73,52,495</u>		<u>78,28,573</u>
Net Current Assets			5,04,02,136	5,73,58,823
(5) Deferred Revenue Expenditure (Net) (See Schedule 'H' Note 6)				
			8,06,478	10,75,305
Significant Accounting Policies and Notes to Accounts 'H'				
	TOTAL		<u><u>8,61,22,134</u></u>	<u><u>9,24,34,866</u></u>

As per our Report of even date attached

For B. C. Jain & Co.
Chartered Accountants
K. M. Gupta
Partner
(M. No. 70469)

Place : Kanpur
Date : 29.04.2010

For and on behalf of the Board
P. K. BHARGAVA, Chairman & Managing Director
RANJANA BHARGAVA, Whole Time Director
K.D. GUPTA, Director
RAKSHITA BHARGAVA, Director

S. S. GOYAL, Vice President (Finance)

EMA INDIA LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE No.	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sale of Products and Other Income	F		3,80,11,570		5,81,84,676
EXPENDITURE					
Manufacturing and Other Expenses	G	4,61,31,940		7,31,78,682	
Interest on Bank Borrowings		61,100		2,30,608	
Depreciation	C	18,41,939		18,62,101	
Provision For Doubtful Debts		4,39,671		0	
	TOTAL		<u>4,84,74,650</u>		<u>7,52,71,391</u>
LOSS BEFORE TAX & EXTRA ORDINARY ITEMS			1,04,63,080		1,70,86,715
PROVISION FOR TAX					
Fringe Benefit Tax			0		19,0000
Deferred Tax Assets written back (Net)			(30,33,057)		(59,32,775)
Income Tax for Earlier Years / (Written Back)			(3,641)		4,500
LOSS AFTER TAX ADJUSTED FROM GENERAL RESERVE			<u>74,26,382</u>		<u>1,13,48,440</u>
Basic & Diluted earnings per share of Rs. 10 each					
(See Schedule 'H' - Note 21)		Rs.	(7.39)		(11.29)

As per our Report of even date attached

For **B. C. Jain & Co.**
Chartered Accountants
K. M. Gupta
Partner
(M. No. 70469)

Place : Kanpur
Date : 29.04.2010

For and on behalf of the Board
P. K. BHARGAVA, Chairman & Managing Director
RANJANA BHARGAVA, Whole Time Director

K.D. GUPTA, Director
RAKSHITA BHARGAVA, Director

S. S. GOYAL, Vice President (Finance)

EMA INDIA LIMITED



SCHEDULE 'A' - SHARE CAPITAL

Annexed to and forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
AUTHORISED		
17,50,000 Equity Shares of Rs. 10/- each	1,75,00,000	1,75,00,000
25,000 Preference Shares of Rs. 100/- each	25,00,000	25,00,000
	<u>2,00,00,000</u>	<u>2,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
10,05,000 Equity Shares of Rs. 10/- each	1,00,50,000	1,00,50,000
TOTAL	<u>1,00,50,000</u>	<u>1,00,50,000</u>

NOTES :

1. Of the above fully paid-up shares, 15,545 Equity Shares of Rs. 10/- each have been allotted as fully paid-up pursuant to a contract without payment being received in cash.
2. 1,89,800 Equity Shares of Rs. 10/- each have been allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve in the year 1981-82 and 1985-86.

SCHEDULE 'B' - RESERVES & SURPLUS

Annexed to and forming part of the Balance Sheet as at 31st March, 2010

	Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
CAPITAL RESERVE			
Capital Investment Subsidy		25,00,000	25,00,000
SECURITIES PREMIUM			
Premium received on issue of Equity Shares		27,50,000	27,50,000
GENERAL RESERVE			
Balance as per last Balance Sheet	6,74,60,166		8,10,86,315
Less : Transferred from Profit & Loss Account	(74,26,382)		(1,13,48,440)
Less : Adjustment towards Additional Gratuity Contribution (See Schedule 'H' - Note 18)	<u>(7,85,040)</u>		<u>(22,77,709)</u>
		<u>5,92,48,744</u>	<u>6,74,60,166</u>
TOTAL		<u>6,44,98,744</u>	<u>7,27,10,166</u>

EMA INDIA LIMITED

SCHEDULE 'C' - FIXED ASSETS

Annexed to and forming part of the Balance Sheet as at 31st March, 2010

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2009 Rs.	Additions Rs.	Sale/Adjustments Rs.	As at 31st March, 2010 Rs.	As at 31st March 2009 Rs.	For the year Rs.	Adjustments Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
Land (Free-Hold)	822662	0	77364	745298	0	0	0	0	745298	822662
Land (Lease-Hold)	90206	0	0	90206	33092	1002	0	34094	56112	57114
Buildings	11811967	0	383758	11828209	5645397	272778	163351	5964794	5663416	6066570
Plant & Machinery	34521021	15900	880292	33656629	20510861	1160464	685292	28791123	12859505	14004070
Furniture, Fixtures and Equipments	4841850	8740	182470	4688120	3594763	158004	162470	3590317	1897503	1747167
Vehicles	2628330	0	0	2628330	1261973	249621	0	1514854	1113666	1363357
TOTAL (Current Year)	54816138	24640	1508884	53333092	31255196	1341939	1282143	31894002	21435900	23668940
TOTAL (Previous Year)	54586630	1662658	1332161	54816138	30766677	1002101	873782	31255106	23502040	

SCHEDULE 'D' - CURRENT ASSETS, LOANS & ADVANCES

Annexed to and forming part of the Balance Sheet as at 31st March, 2010

	Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
(A) CURRENT ASSETS			
Inventories (As certified by the management)			
Stores and Spares		6,18,975	6,89,428
Stock-in-trade :			
Raw Materials and Components	2,94,47,979		3,17,20,327
Goods-in-process	36,36,912		73,12,570
		<u>3,30,84,891</u>	<u>3,90,32,897</u>
Sundry Debtors (Unsecured) :			
Over Six Months - Considered Good	14,52,236		5,81,919
- Considered Doubtful	4,39,671		0
- Provision for Doubtful Debts	(4,39,671)		0
Other Debts	31,87,268		45,95,341
		<u>46,39,504</u>	<u>62,89,627</u>
Cash & Bank Balances :			
Cash & Cheques in hand	1,82,627		1,15,287
Balance with Scheduled Banks :			
In Current Accounts	1,45,07,454		1,09,94,914
In Investor Education & Protection Fund (A/c Unpaid Dividend)	3,73,264		4,54,888
In Fixed Deposits including deposits against margin money	11,04,381		25,37,510
		<u>1,61,67,726</u>	<u>1,41,02,599</u>
SUB TOTAL		<u>5,45,11,096</u>	<u>6,21,14,751</u>
(B) LOANS & ADVANCES			
(Unsecured, considered good - Unless otherwise stated)			
Advance Income Tax (See Schedule 'H' - Note No. 7)	15,27,158		14,32,147
Advances to Suppliers	1,05,222		1,02,388
Advance Excise Duty, Cess & Other Taxes	7,01,321		4,59,375
Advances recoverable in cash or in kind or for value to be received	6,31,803		8,00,704
Security Deposits	2,78,031		2,78,031
Inter Corporate Deposit - Considered Doubtful	55,50,000		0
Less : Provision for Doubtful Deposit	(55,50,000)	0	0
		<u>32,43,535</u>	<u>30,72,645</u>
TOTAL		<u>5,77,54,631</u>	<u>6,51,87,396</u>

SCHEDULE 'E' - CURRENT LIABILITIES & PROVISIONS

Annexed to and forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
CURRENT LIABILITIES		
Sundry Creditors due to Micro, Small & Medium Enterprises	14,4,597	73,378
Sundry Creditors Others	4,43,161	43,762
Investor Education & Protection Fund – (A/c Unpaid Dividend)	3,73,264	1,54,688
Advances from Customers	12,82,271	26,14,661
Other Liabilities	51,09,202	46,41,804
TOTAL	<u>73,52,495</u>	<u>78,28,573</u>

SCHEDULE 'F' - SALE OF PRODUCTS AND OTHER INCOME

Annexed to and forming part of the Profit & Loss Account for the year ended on 31st March, 2010

	Rs.	Current year Rs.	Previous Year Rs.
Sales Net of Excise Duty and Cess			
Sale of Products	3,53,28,382		6,26,02,688
Less : Excise Duty & Cess Realized	<u>25,05,024</u>		<u>68,12,579</u>
Other Income		3,28,23,358	5,57,90,109
Technical Assistance & Process Support Charges	25,97,369		17,18,362
Dividend Received	2,00,833		2,45,814
Duty Draw Back Received	22,039		62,054
Profit/(Loss) on Sale of Investment	(22,850)		3,000
Profit/(Loss) on Sale/Disposal of Part of Land & Building	21,92,259		0
Profit/(Loss) on Sale/Disposal of Assets	9,765		(30,747)
Interest on Deposits with Scheduled Banks (Tax deducted at source Rs. 13719/- Previous Year Rs. 84637/-)	91,897		2,65,674
Commission Received	0		34,510
Rent Received	<u>96,000</u>		<u>96,000</u>
		<u>51,88,212</u>	<u>23,94,567</u>
TOTAL		<u>3,80,11,570</u>	<u>5,81,84,676</u>

EMA INDIA LIMITED

SCHEDULE 'G' - MANUFACTURING AND OTHER EXPENSES

Annexed to and forming part of the Profit & Loss Account for the year ended on 31st March, 2010

	Rs.	Current year Rs.	Previous Year Rs.
1. RAW MATERIALS CONSUMED		1,33,71,382	1,84,31,916
2. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, Wages and Bonus etc.	1,65,74,705		1,86,21,053
Contribution to Provident and other Funds (See Schedule 'H' Note 18)	28,76,259		30,82,621
Employees Welfare Expenses	<u>3,20,267</u>		<u>4,12,154</u>
		1,97,71,231	2,21,15,828
3. OPERATIONAL AND OTHER EXPENSES			
Stores and Spares Consumed	10,27,315		19,76,232
Power and Electrical Charges	17,16,314		19,61,681
Repairs to Building	13,089		82,212
Repairs to Plant and Machinery	1,47,204		2,18,859
Rent	0		851
Rates and Taxes	58,968		58,634
Insurance	1,08,652		1,75,484
Packing, Forwarding & Freight	3,19,809		12,55,274
Travelling Expenses	15,97,877		12,16,204
Commission on Sales	50,908		1,31,307
AUDITORS' REMUNERATION			
Audit Fees	50,000		50,000
Deferred Revenue Expenses Written off	2,68,827		2,68,627
Other Miscellaneous Expenses	<u>38,90,706</u>		<u>38,23,128</u>
		92,51,669	1,12,18,803
4. DIRECTORS' SITTING FEES		62,000	40,000
		4,24,56,282	5,18,06,637
Add : Decrease in Stock of Goods in Process			
Opening Stock	73,12,570		2,80,84,615
Less : Closing Stock	<u>36,36,912</u>		<u>73,12,570</u>
		36,75,658	2,13,72,045
TOTAL		<u>4,61,31,940</u>	<u>7,31,78,682</u>

SCHEDULE 'H' - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
Annexed to and forming part of the Balance Sheet and Profit & Loss Account

1. SIGNIFICANT ACCOUNTING POLICIES

(a) **SYSTEM OF ACCOUNTING**

The Financial Statements of the Company are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and applicable Accounting Standards as notified by the Central Government of India U/s 211(3C) of the Companies Act, 1956 and other pronouncements of the Institute of Chartered Accountants of India. The Company follows the mercantile system of accounting and recognizes income and 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) Payment of 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) **FIXED ASSETS**

Fixed 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 amortization.

(d) **DEPRECIATION**

Leasehold Land is amortized over the period of lease. Depreciation on other Fixed Assets is provided for on straight-line method as per rates specified in Schedule XIV of the Companies Act, 1956 as amended upto date.

(e) **INVESTMENTS**

Long Term Investments are accounted for at Cost. Any decline other than temporary, in the value of long-term investment is adjusted in the carrying cost of such investment.

(f) **INVENTORIES**

Inventories are valued at Lower of Cost or Net Realizable Value. Cost of raw material & components, 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. Goods 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.

(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 and liabilities and realized gains and 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 RETIREMENT BENEFITS

Company's contribution to Superannuation Scheme under Group Superannuation Scheme Policy with Life Insurance Corporation of India is charged to Profit & Loss A/c. Company's liability under Group Gratuity Cash Accumulation Policy with Life Insurance Corporation of India is provided for based on actuarial valuation made by LIC of India. Company's contribution to Provident Fund, determined under the relevant scheme, is charged to Revenue. Short term Liability for accumulated earned leave encashment payable to employees at the end of the year is provided for.

(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

- (a) The design and development cost paid is treated as Deferred Revenue Expenditure to be written off in six equal installments.
- (b) Compensation paid to employees taking voluntary retirement is treated as Deferred Revenue Expenditure to be written off in five equal installments.

(m) TAXES ON INCOME

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.

2. CONTINGENT LIABILITIES

- (i) Counter guarantees given by the Company in favour of its Bankers against guarantees given by them on behalf of Company Rs. 2342265/- (Previous year Rs. 2258677/-). The bank has held Rs. 1104381/- (Previous year Rs.1037510/-) as margin money against these guarantees in the form of Fixed Deposit.
- (ii) 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.
- (iii) Claim against the company for demand raised by Central Excise department Rs. 519252/- (Previous year Rs. 259626/-) (deposited under protest) not acknowledged as debts (matter sub-judice).
- (iv) Claim against the company for various labour cases filed, not acknowledged as debt since the amount is not ascertainable.

3. INVESTMENTS :

LONG TERM

Quoted :	Nos. of fully paid-up Equity Shares/Units		Cost		Market Value	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Nos	Nos	Rs.	Rs.	Rs.	Rs.
Trade investment :						
G210 IDFC Arbitrage Fund	2,395,209	2,379	25,126	24,959	24,768	24,681
HDFC High Interest Fund - Dividend	NIL	2,39,952	NIL	25,65,146	NIL	25,44,788
Franklin Templeton Floating	1,438,257	NIL	20,69,744	NIL	20,41,370	NIL
Unquoted :						
DiaTech Tools India Pvt. Ltd.	2,49,000	2,49,000	24,90,000	24,90,000	NIL	NIL
EMA Megatherm Induction Equipments Pvt. Ltd.	50,000	NIL	5,00,000	NIL	NIL	NIL
TOTAL			50,84,870	50,80,105		

4. SECURITY OF CASH CREDIT ADVANCES :

Cash Credit Advances from Bank of Baroda are secured by way of hypothecation of whole of the Company's present and future stocks of raw materials, goods-in-process, finished goods, consumable stores & spares & book debts and further secured by way of mortgage by deposit of the title deeds in respect of Company's immovable property situated at C-37, Panki Industrial Area, P.O. Udyog Nagar, Kanpur.

5. 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 liability comprise of the following:

	As at 31.03.2010	As at 31.03.2009
(a) Deferred Tax Assets		
Related to Allowance/Disallowance under the I.Tax Act	1,23,62,130	94,16,421
(b) Deferred Tax Liability		
Related to Fixed Assets	(39,69,380)	(40,56,728)
(c) DEFERRED TAX ASSETS	83,92,750	53,59,693

6. DEFERRED REVENUE EXPENDITURE (To the extent not written off)

	As at 31.03.2010	As at 31.03.2009
Design & Development Cost	6,42,574	6,56,765
Compensation on Employees Voluntary Retirement	1,63,904	2,18,540
Total	8,06,478	10,75,305

7. Advance Income tax as shown in Schedule 'D' is net of provisions. The Sales Tax and Income Tax Assessments of the Company have been completed upto Assessment year 2007-08. Any tax liability on cases pending under assessment/ appeal will be met as and when the same arises.

8. TURNOVER, CLOSING AND OPENING STOCK OF GOODS PRODUCED :

GOODS PRODUCED & SOLD	Qty.	2009-10	Qty.	2008-09
		Rs.		Rs.
Induction Heating Equipments *	7	15,148,599	11	4,51,39,348
Tools, Spares & Upgrading etc.	Lot	2,01,79,783	Lot	1,74,63,340
Total		3,53,28,382		6,26,02,688

* Previous year Sales includes Rs. 1545860/- being value of one machine used for captive consumption. There is no opening or closing stock of goods produced.



9. Details of Raw Materials Consumed :

	2009-10		2008-09	
	Qty.	Rs.	Qty.	Rs.
Sundry Structural, Electricals and Mechanical Components *	Lot	1,33,71,382	Lot	1,84,31,916
	Total	<u>1,33,71,382</u>		<u>1,84,31,916</u>

* It is not practicable 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.

10. Value of Materials and Components and Stores Consumed :

Particulars	2009-10		2008-2009	
	Rs.	%	Rs.	%
Raw Material				
Imported	56,54,961	42.29	20,50,081	11.12
Indigenous	77,16,421	57.71	1,03,81,835	88.88
Total	<u>1,33,71,382</u>	<u>100.00</u>	<u>1,84,31,916</u>	<u>100.00</u>

Consumable Stores Rs. 1027315/- (Previous year Rs. 1976232/-) are 100% Indigenous.

11. Installed Capacity and Production of Goods : (as certified by the management)

PRODUCTS	Size	INSTALLED CAPACITY		ACTUAL PRODUCTION	
		2009-10	2008-09	2009-10	2008-09
Induction Heating Equipments (Units)	Large	12	12	-	-
	or Large/Small	20	20	7	11

12. C.I.F. VALUE RAW MATERIAL IMPORTED - Rs. 4562230/- (Previous year Rs. 2171003/-).

13. Expenditure in Foreign Currency

	2009-10		2008-09	
Foreign Bank Charges	Rs.	30,270	Rs.	41,255
Others	Rs.	56,566	Rs.	24,600

14. Remittance in Foreign Currency on Account of Dividend - NIL -

15. Earnings in Foreign Currency

	2009-10		2008-09	
Export of Goods on F.O.B. Basis	Rs.	21,00,485	Rs.	34,30,038
Commission	Rs.	-	Rs.	34,510

EMA INDIA LIMITED



15. Remuneration to Directors

	2009-10		2008-09	
i) Salaries	Rs.	2256000	Rs.	2256000
ii) Company's contribution towards funds	Rs.	749894	Rs.	749894
iii) Approximate money value of other perks	Rs.	1457973	Rs.	1457402
Total	Rs.	4463867	Rs.	4463296

Due to inadequacy of profits as per provisions of Section 198 of the Companies Act, 1956, no commission on profit is payable to Directors.

17. In case of winding up petition filed by the Company before Hon'ble High Court of Allahabad for recovery of Inter Corporate Deposit against M/s Trackparts of India Ltd., the Company is following up the case for balance dues of Rs. 55.50 lacs. Full provision in respect of above was made in financial year 2003-04. Another case under Negotiable Instruments Act is also pending in local court at Kanpur.

18. EMPLOYEE BENEFITS - As per Accounting Standard-15(Revised 2005)

(A) **Gratuity Fund** - Gratuity is administered through Group Gratuity Scheme with LIC and annual premium thereon is paid and accounted for as and when demanded. Actuarial valuation is made by LIC as required in Accounting Standard - 15 (revised 2005) on Project Unit Credit Method. The Actuarial Assumptions are :-

- Mortality Rate - LIC (1994-96) ultimate
- Withdrawal Rate - 1% to 3% depending on Age
- Discount Rate - 8% p.a.
- Salary Escalation - 4%

The Company has provided Additional Contribution towards short fall in existing Gratuity fund as demanded by LIC under Group Gratuity Scheme as Defined Contribution Plan from the opening General Reserve in terms of AS-15. The present value of Past Service Benefit as per LIC was Rs. 7083207/-.

(B) **Leave Encashment** - Provision for leave encashment amounting to Rs.1335804/- has been made by the management.

(C) **Defined Contribution Plans** - During the year, the Company has recognized the following amounts in the profit and loss account for employee benefits.

PARTICULARS	Amount (Rs.)
Employer's Contribution to	
- Employee's Provident Fund	6,69,762
- Employee's Family Pension Scheme	6,87,420
- Employee's State Insurance Fund	4,15,059
- Employee's Group Insurance Scheme	64,857
- Employee's Superannuation Fund	5,86,915
Gratuity Fund -	
Contribution to LIC Group Gratuity Scheme towards current service cost	3,26,676
Leave Encashment -	
Debited to Profit & Loss A/c	75281

EMA INDIA LIMITED



19. Related Party Disclosures

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

- (i) Key Management Personnel – Mr. P.K. Bhargava Chairman & Managing Director
Mrs. Ranjana Bhargava Whole Time Director
- (ii) Details of remuneration to Managing Director & Whole Time Director are given at Note No. 16 above and Sitting Fees to other Directors – Rs. 62000/- (Previous year Rs. 40000/-).
- (iii) Transactions carried out with the related party – DiaTech Tools India Pvt. Ltd., Kanpur, during the year in the ordinary course of business :-
- Lease Rent Received - Rs. 96,000/-
 - Sale of a portion of Factory land & building at 19th Km Stone, G.T. Road, Vill. Maharajpur, Kanpur - Rs. 2500000/-

20. In the opinion of the Board, the Current assets, loans and advances are realizable at a value which is at least equal to the amount at which these are stated in the ordinary course of business.

21. EARNING PER SHARE (EPS)

	2009-10	2008-09
(a) Net Loss for equity shareholders	Rs. (74,26,382)	Rs. (1,13,48,440)
(b) Weighted Average number of equity shares	No. 10,05,000	No. 10,05,000
(c) Basic and Diluted Earnings per share of Rs. 10 each	Rs. (7.39)	Rs. (11.29)

22. 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.

23. Previous year figures have been regrouped wherever necessary.

24. Schedules A to H form an integral part of the Balance Sheet and Profit & Loss Account.

As per our Report of even date attached

For B. C. Jain & Co.
Chartered Accountants

K. M. Gupta
Partner
(M. No. 70469)

Place : Kanpur
Date : 29.04.2010

P. K. BHARGAVA, Chairman & Managing Director
RANJANA BHARGAVA, Whole Time Director

K.D. GUPTA, Director
RAKSHITA BHARGAVA, Director

S. S. GOYAL, Vice President (Finance)

EMA INDIA LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

CIN No. L27201UP1971PLC003408 State Code **20**
 Balance Sheet Date **31 03 2010**

II. Capital Raised during the year

(Amount in Rs. Thousands)
 Public Issue **NIL** Right Issue **NIL**
 Bonus Issue **NIL** Private Placement **NIL**

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	- - - - 8 6 1 2 2	Total Assets	- - - - 8 6 1 2 2
Source of Funds		Reserves & Surplus	- - - - 6 4 4 9 9
Paid-up Capital	- - - - 1 0 0 5 0	Deferred Tax Liability	- - - - - - - 0
Secured Loans	- - - - 1 1 5 7 3	Investments	- - - - - 5 0 8 5
Application of Funds		Deferred Tax Assets	- - - - - 8 3 0 3
Net Fixed Assets	- - - - 2 1 4 3 0	Misc. Expenditure	- - - - - 8 0 6
Net Current Assets	- - - - 5 0 4 0 2		

IV. Performance of Company

Turnover (Gross Revenue)	- - - - 3 8 0 1 2	Total Expenditure (Net)	- - - - 4 8 4 7 5
Loss Before Tax	- - - - 1 0 4 6 3	Loss After Tax	- - - - - 7 4 2 6
Earning per Share (Rs.)	(7.39)	Dividend Rate %	NIL

V. Generic Name of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) **- - 8 5 1 4 . 4 0**
 Product Description **I N D U C T I O N H E A T I N G E Q U I P M E N T S**

For **B. C. Jain & Co.**
 Chartered Accountants

K. M. Gupta
 Partner
 (M. No. 70489)

Place : Kanpur
 Date : 29.04.2010

P. K. BHARGAVA, Chairman & Managing Director
RANJANA BHARGAVA, Whole Time Director

K.D. GUPTA, Director
RAKSHITA BHARGAVA, Director

S. S. GOYAL, Vice President (Finance)

EMA INDIA LIMITED