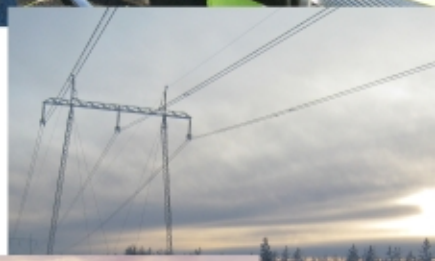
Annual Report 2013-14

Engineering A Better Future

Asia | Europe | North America



EMC Limited
Spanning Power Globally
Since 1953

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumption prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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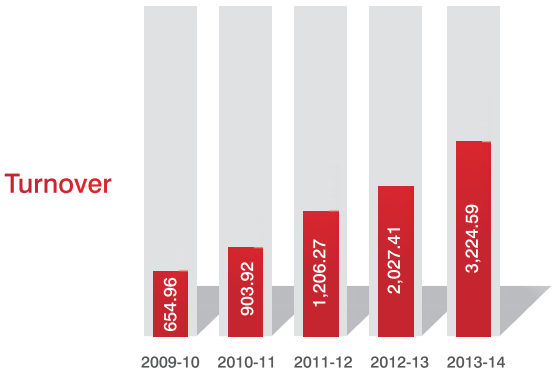
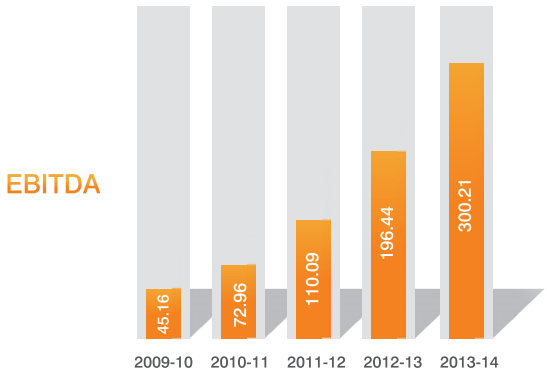
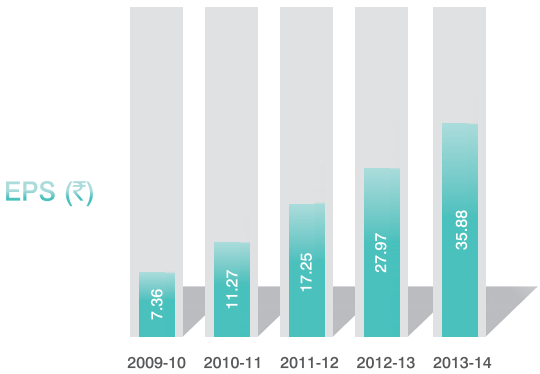
Financial Highlights

₹ in crore

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover	654.96	903.92	1,206.27	2,027.41	3,224.59
EBITDA	45.16	72.96	110.09	196.44	300.21
PAT	24.28	42.17	56.92	92.37	132.74
PAT Margin (%)	3.71 %	4.67 %	4.72 %	4.56 %	4.12 %
EPS (₹)	7.36	11.27	17.25	27.97	35.88







Company Information

Board of Directors
Manoj Toshniwal
Ramesh Chandra Bardia
Suraj Mall Singhi
Saubir Bhattacharyya
Durga Prasad Sharma
Subroto Chaudhury
Manish Agarwal

Company Secretary
Mr. Chandra Sekhar Adhikary

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E-mail: info@emcpower.com

Website
www.emcpower.com

Works Address

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Kolkata 700 085

Naini Works
Mirapur Road, P.O. TSL, Naini
Industrial Area, Naini, Allahabad –
211 010

Agarpara Works
139B, B. T. Road, Kolkata 700 085

CIN Number:
CIN : U31901WB1953PLC021044

Auditors
SRB & Associates
Chartered Accountants

Bankers
State Bank of India
Allahabad Bank
Punjab National Bank
Uco Bank
State Bank of Patiala
Corporation Bank
Central Bank of India
The Karur Vysya Bank Limited
The South Indian Bank Limited
Vijaya Bank
Canara Bank
Bank of India
Dena Bank

Registrar & Transfer Agents
Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata –700 001
Tel: 2243 5809, 2243 5029,
Fax: (033) 2248 4787
E-mail: mdpldc@yahoo.com

MD's Message

The paradigm shift in evolution – from being an EPC company in Power Transmission Lines to a holistic engineering player – speaks volumes about our growing expertise and resultant success.

Dear Stakeholders,

The global economy continued to face subdued economic growth in the aftermath of a challenging economic crisis. During the year, the domestic infrastructure segment remained sluggish on account of policy inaction, liquidity constraints and high inflation, among other factors. Despite key macroeconomic challenges in business, your Company made progress towards its long-term financial and operational goals while strengthening its competitive position.

EMC's vision and distinctive operating model of inclusive and complementary business lines with a broad geographic reach are critical factors in its accomplishments in the transmission and distribution markets. We are constantly broadening our global presence. The paradigm shift in evolution – from being an EPC company in Power Transmission Lines to a holistic engineering player – speaks volumes about our success and expertise. Indians use less electricity per capita compared to people in more developed countries – only about 900 kilowatt hours (kWh) per capita versus 7,000 kWh per capita in Europe and 14,000 kWh in the US.

As India's demand for energy is

growing exponentially, and given the new government's resolve to overcome the electricity deficit faced by the country, the energy sector is bound to become more attractive for investors. Increased demand in power consumption due to rapid industrialisation and urban development has opened up many growth opportunities and we are determined to exploit them to the hilt. With the government's increased resolve to develop India's infrastructure, EMC Ltd is well positioned to capitalise on government and private opportunities arising out of investment in infrastructure and industry.

According to Bain Capital, India's demand for electricity is expected to grow from about current 1,100 TWh annually to nearly 3,500 TWh by 2032. Significant investment in infrastructure projects along with reinforcement in the real estate sector and growth in industrial capex are likely to act as catalysts for growth of EPC companies in India. Your Company is likely to gain from the government's stress on power capacity addition that will give companies like EMC a renewed push in the transmission and distribution segment.

Internationalisation

In challenging times, a combination of long range strategy and active tactical responses are critical for the success of any enterprise. We countered the economic downtrend in the domestic market by expanding our footprint and strengthening operations in geographies with favourable business prospects. Your Company focused on acquisition opportunities last year by leveraging its immense

The Company grew 59% in revenue over the preceding year, taking revenue to over ₹ 3,224 crore while executing numerous transmission lines, substations, rural electrification and EPC projects during the year.

technical competence while optimising usage of its resources and ensuring tighter controls. Our overseas acquisitions have helped us secure specialised mega projects that helped us venture into new areas and segments.

Your Company's forays in new international markets are already yielding results. Our US based subsidiary – Advanced Steel & Crane, Inc. (ASC) in Tulsa, Oklahoma – has

achieved excellent performance by attaining sales and PBIT growth of 43% and 63% respectively over the preceding year. The current order book is robust and supply orders for projects have been obtained from major utilities customers in North America.

Another subsidiary – Tecnolines S.r.L in Italy – is steadily growing in strength and executing 400KV transmission line projects in Sweden, Finland and Italy. We have also opened subsidiary offices in Dubai, Singapore and Hong Kong to gain direct knowledge of the key products in demand in neighboring markets.

According to Tech Navio, a leading technology research and advisory company with a global coverage, the global T&D equipment market is expected to grow at a CAGR of 9.45% between 2013 and 2018, giving enough opportunity for investments in transmission and distribution across the globe. And since EMC has a presence in all of these regions, your Company stands to gain substantially as these regions start investing capital to develop their transmission and distribution sector. EMC has identified Europe, US, Middle East and Africa as overseas target markets.

Our recent acquisitions in Italy and US and the significant large projects secured in Europe have placed EMC in a strong position to compete in the Transmission and Distribution segment in foreign target markets.

Your Company grew 59% in revenue over the preceding year, taking revenue to over ₹ 3,224 crore while executing numerous transmission lines, substations, rural electrification and EPC projects during the year. Now, with a strong pipeline of orders under execution of ₹ 5,636 crore, your Company will extend its capabilities with a well-planned business execution module along with a consistent delivery system.

Our US based subsidiary – Advanced Steel & Crane, Inc. (ASC) in Tulsa, Oklahoma – has achieved excellent performance by attaining sales and PBIT growth of 43% and 63% respectively over the preceding year.

India Story

During the year, our prestigious partner – Power Grid Corporation of India Ltd – recognized our efforts and zeal to complete major Transmission Line Projects of 400 KV and 765 KV and a special prize was awarded to us by the Chairman & Managing Director of PGCIL on April 11, 2014 in New Delhi. Moreover, the General Manager of Central Organisation for Railway Electrification (CORE) presented us a letter of appreciation for the railway electrification project on the Kumedhpur-Malda section of the New Jalpaiguri Division of Eastern Railway in West Bengal. It gives me great pleasure to congratulate all our employees and collaborators for achieving these milestones that have helped us set benchmarks for the competition.

The 12th Five Year Plan envisages a total investment for railways at ₹ 5.2 trillion and the focus on reinforcing the rail network across the country holds good prospects for our business. Your Company is also exploring international markets, especially the Gulf countries where several projects are coming up.

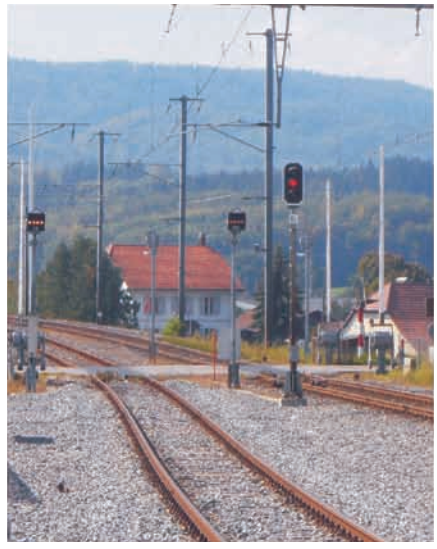
We have also received a second order for a turnkey contract from CORE for OHE between Kumedhpur-Old Malda and Old-Malda-Singhabad of Katihar Division 168 TKM. We have also participated in the Techno Commercial and Pricing Tender as a qualified bidder of Gujarat Metro Project (MEGA). During the year, your Company acquired Bangalore-based Quatro Rail Tech Solutions Pvt. Ltd. (QRTS), which specialises in railway signalling and telecommunication. The company provides Signalling, Telecommunication Safety, Security and Train Diagnostic solutions for the railway and transportation domains.

Road Ahead

With the Indian economy again picking up steam, bridging the demand-supply gap will be a key concern in the coming years. Not surprisingly, the new government has flagged the power sector as crucial to India's long-term growth. However, it will take crucial policy actions to incentives the overall investment climate in the country by executing projects on time, speedy land and environment clearances, rationalising coal linkages, and resolving financing issues faced by the sector. Going forward, your Company's role as an integrated EPC player will be crucial.

Your Company's commitment to on-time execution, achieving excellence through capacity building and leveraging expertise will consolidate it as a key player in the

The Company acquired Bangalore-based Quatro Rail Tech Solutions Pvt. Ltd. (QRTS), which specialises in railway signalling and telecommunication.



EPC industry. In order to reduce dependence on a single market and segment, your Company is penetrating overseas markets, especially in Europe, Africa and West Asia. We want to deepen our technological advancement through overseas collaboration in order to enhance scalability and improved margins by bidding for projects with focused on profitability and efficient manufacturing over the next year.

Retain focus on core competencies

In order to meet our growth prospects we need to channelize our strategic direction by retaining focus on core competencies, i.e. transmission and distribution projects, targeting high margin EHV (400kV and 765kV capacity) transmission line and substation (especially GIS) projects, rural electrification projects and industrial power distribution systems. Undertaking only funded projects from State Electricity Boards and Railways should ensure proper balance of cash flow in the new growth trajectory.

Diversify to reduce dependency on single market/segment/customer base

We need to grow our business from strength to strength through diversification to reduce dependency on single market, segment and customer base. For that we will target EHV Substations, Rural Electrification Industrial Power Distribution and Railways segment to enhance contribution to sales vis-à-vis sales from transmission line projects along with expansion in overseas markets.

Enhance scalability and improve margins

Bolster manufacturing strength by capacity expansion to reduce dependency on third party suppliers. Bidding for projects to be driven with a focus on profitability, efficient manufacturing and trained workforce would help improve margins in the long run.

Inorganic growth and strategic tie-ups

Pursue organic and avid investments that promote company's approach and present attractive long-term returns, while augmenting technical leadership capabilities in high-growth markets and sectors. Acquire companies primarily to get access to technology, customer base and qualifications.

The new government's recent decisions on loan restructuring, accelerating stuck projects due to land and fuel issues, domestic gas price increase and coal blocks allotted to the private sector indicates

Pursue organic and avid investments that promote company's approach and present attractive long- term returns, while augmenting technical leadership capabilities in high-growth markets and sectors.

its commitment to move rapidly to revive the energy sector. International utilities have a key role to play in India's power sector, one that offers growth potential to utilities whose home markets are less energetic while delivering much needed investment, talent and resources to India's stressed power grid.

We see a ray of hope in the new government and expect a lot of impediments that impede development to be ironed out. EMC is well placed to make the most of the opportunities arising out of investment infrastructure and industrial sectors, with the public sector being a major contributor in both sectors.

EMC has a broad spectrum of capabilities and expertise with a track record of successfully completing projects that meet rigorous quality standards and delivery schedules. Our employees are our key asset and we constantly invest in them to retain our competitive edge. In short, we are endeavouring to create an organization known for its leadership skills. Indeed, your Company has focused in improving employee productivity and collaboration, their learning and development and employee engagement through the EMC Academy, we develop and create a pool of trained manpower to focus on our execution capabilities and communicate technical education in the field of power systems. We will continue to focus on our ability and capacity to deliver value, ensuring that as we grow we continue to meet our customers' expectations.

Finally, I would like to thank all stakeholders, colleagues, partners and clients for reposing your trust in in the EMC management and help us evolve as a end-to-end power systems solution provider. The future looks bright and promising as we embark on a new growth trajectory building newer capacities while retaining our core competencies.

Regards,
Manoj Toshniwal

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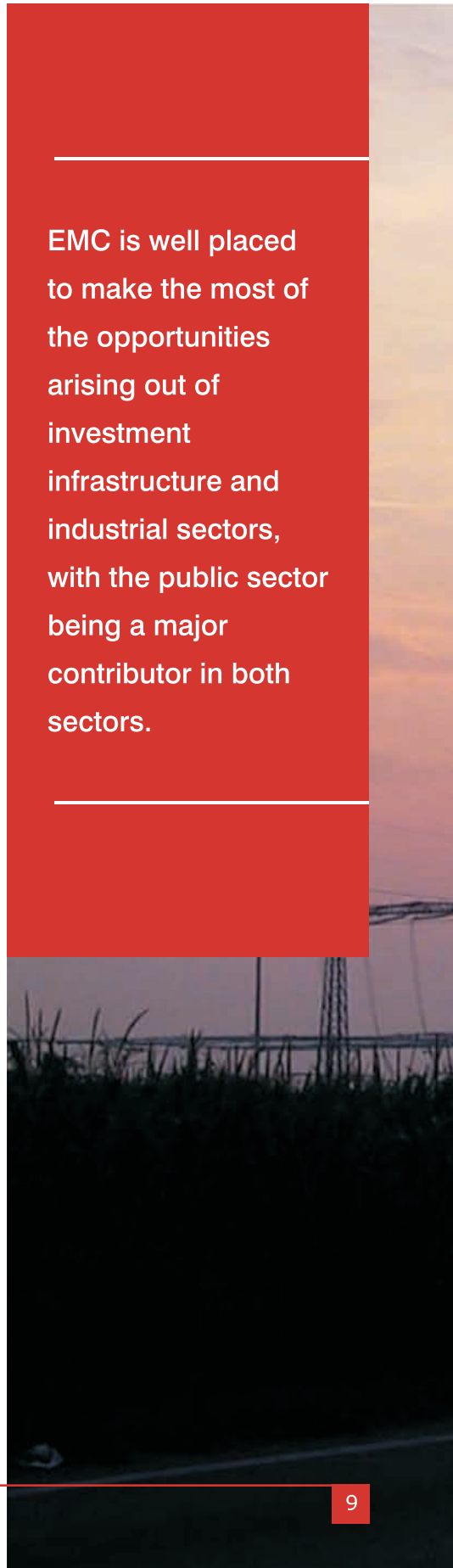


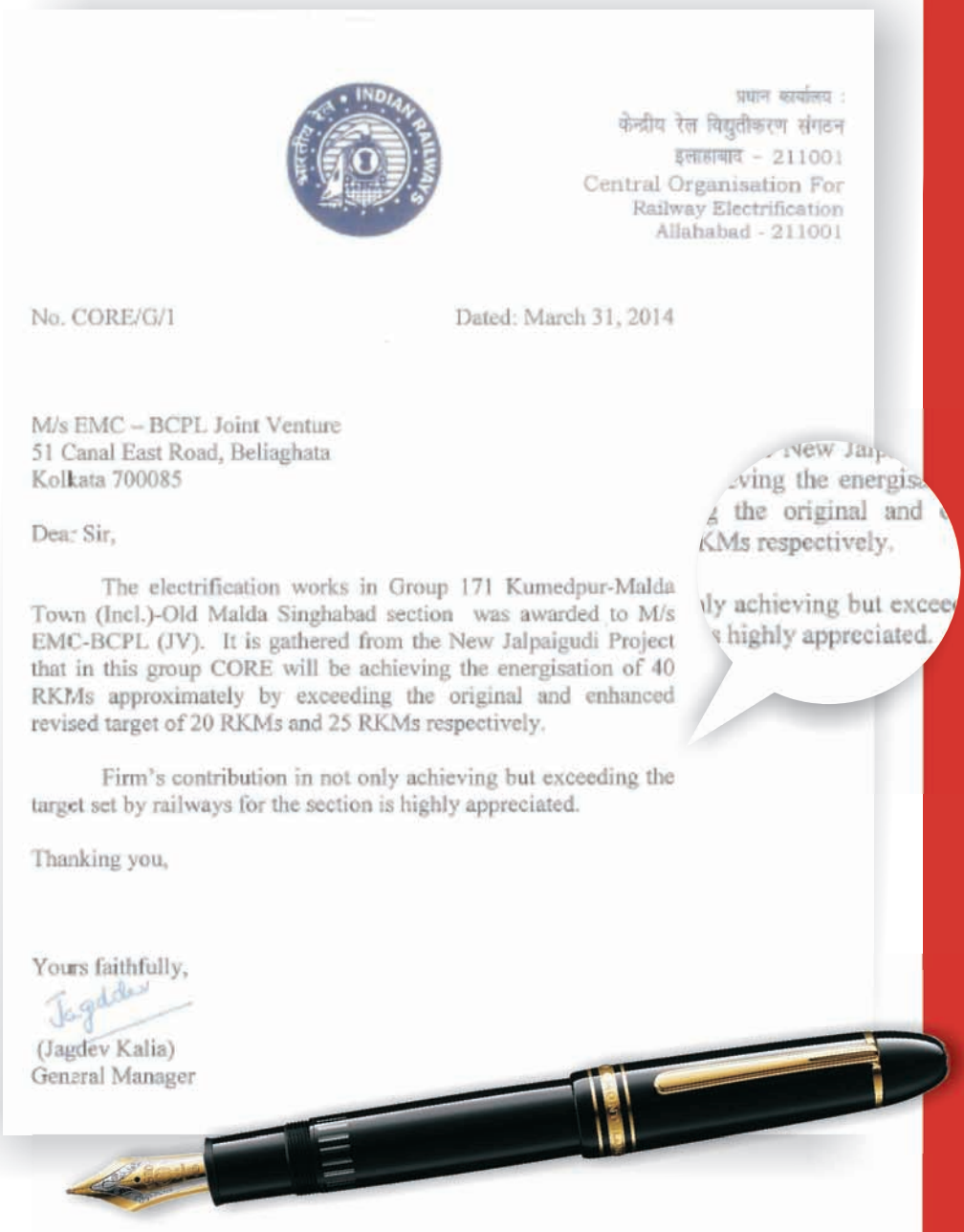
Awards & Recognition

EMC LIMITED KOLKATA

Trophy received from POWERGRID during the CEO Conclave on 11/04/2014 at New Delhi for the extra ordinary achievement in completion of Transmission Lines during the year 2013.

Power Grid Corporation of India Ltd – recognized EMC's efforts and zeal to complete major Transmission Line Projects of 400 KV and 765 KV and a special prize was awarded by the Chairman & Managing Director of PGCIL on April 11, 2014 in New Delhi.

Appreciation Letter



प्रधान कार्यालय :
केन्द्रीय रेल विद्युतीकरण संगठन
इलाहाबाद - 211001
Central Organisation For
Railway Electrification
Allahabad - 211001

No. CORE/G/1 Dated: March 31, 2014

M/s EMC – BCPL Joint Venture
51 Canal East Road, Beliaghata
Kolkata 700085

Dear Sir,

The electrification works in Group 171 Kumedpur-Malda Town (Incl.)-Old Malda Singhabad section was awarded to M/s EMC-BCPL (JV). It is gathered from the New Jalpaigudi Project that in this group CORE will be achieving the energisation of 40 RKMs approximately by exceeding the original and enhanced revised target of 20 RKMs and 25 RKMs respectively.

Firm's contribution in not only achieving but exceeding the target set by railways for the section is highly appreciated.

Thanking you,

Yours faithfully,
(Jagdev Kalia)
General Manager

The General Manager of Central Organisation for Railway Electrification (CORE) presented a letter of appreciation for the railway electrification project on the Kumedhpur-Malda section of the New Jalpaiguri Division of Eastern Railway in West Bengal.

Management Discussion and Analysis

Economic Overview

Even as India's key economic indicators such as current account deficit improved, FY2014 saw subdued GDP growth thanks to high inflation in the wake of a global economic scenario that continued to show a gradual and sustained improvement with signs of recovery both in US and Europe. However, at the same time Japan continued to show fragile growth and, not surprisingly, emerging markets had to adjust to quiet growth levels during the year.

According to IMF estimates, the global economy is poised to grow at 3.6-3.9% between now and the next year. We believe emerging economies can overcome these temporary hurdles if support for cumulative demand is reinforced by financial and structural reforms that fully reinstate investor confidence.

India's GDP growth remained at sub-5% levels and inflation stayed persistently high. India's growth prospects are expected to improve as inflationary headwinds recede and capital investments rise. We continue to believe in the long-term fundamentals of the Indian economy and expect the new government to take crucial policy decisions to spur the investment climate in the country.

During the year, the Company consolidated its performance in the transmission line projects, substation projects, commencement of new business in the area of railway electrification and thrust on international markets.

Global Scenario

According to International Energy Agency (IEA), aggregate investment of $16.4 trillion is needed across the power sector over 2014-2035.

About 58% of power sector investment is allocated to the construction of new power plants and reinstatement of existing ones; the balance being used to build and refurbish T&D networks. Improved living standard is one of the key reasons for this projected growth in electricity demand. With the global energy demand continuing to increase, energy sources will continue to be developed and expanded through technological development.

Power Sector in India

According to ICRA, energy demand growth dropped to 0.7% while energy availability improved by 6% in FY 2014.

The peak deficit for FY 2013-14 was 4.5% against 9.0% in FY 2012-13 and energy deficit was 4.2% against 8.7% in FY 2012-13.

The demand for power has been rising, surpassing supply, leading to power shortages in spite of diverse growth in power generation over the years. The sector has seen aggressive capacity addition during the past two decades on the back of government initiatives.

Features like industrialisation, urbanisation, population growth, development in per capita consumption of electricity, reduction of coal reserve, increasing import of coal, crude oil and other energy sources and the rising concern over climate change have put India in a critical situation.

There is a need for constant effort to bridge this demand-supply gap by way of policy reforms, involvement of the private sector and development of the Ultra Mega Power Projects (UMPP). Over the years the government has recognized the importance of a healthy distribution system in its drive to provide electricity to all.

Restructuring and corporatisation of State Electricity Boards and privatisation of distribution

through licenses are some examples of the initiatives taken to expand and strengthen the sector and EMC is well placed to harness the opportunities to expand in India.

Of late, the central electricity regulator (CERC) has decided to lead the Indian power industry to the next level of operational efficacy and reliability. In the new tariff regime, it has suggested significant measures to promote efficiency improvement in power plant operations. During FY13, the government opened FDI for Power Trading Exchanges. Foreign investments in power exchanges registered under the Central Electricity Regulatory Commission Regulations, 2010, are allowed up to 49% (FDI 26% and FII 23%). To reduce dependence on imported coal, a public private partnership (PPP) framework has been devised with Coal India Limited to increase coal production.

Growth Opportunities in the power sector

- Expansion in industrial activity to lift demand for electricity. Growing population and increasing penetration and per capita usage to provide further stimulus
- Major investments set aside by public as well as private sector companies across the value chain
- Large capacity additions targeted in the 12th and 13th Five Year Plans.
- Policy support initiatives – Removal of licensing for various segments, elimination of entry barriers, cost reduction and rationalisation of tariffs, development of UMPP
- Implementation of Restructured Accelerated Power Development and Reforms Programme (R-APDRP) schemes and the proposed financial restructuring may boost more state utilities to explore private sector participation in the distribution business.

We expect the new government to channel investments to the power sector and railways that form a critical part of infrastructure development in the country and need massive investments. EMC already has a major presence in these segments.

Transmission

Power transmission networks complement the vital veins of the entire power value chain. During FY2014 16,748 ckm (circuit kilometres) transmission lines and 57,330 MVA of transformation capacity were added, both falling short of the 17,107 ckm and 63,665 MVA added during the preceding year. The total MVA capacity at substations stood at 5,17,046 at the end of fiscal 2014.The creation of capacity and deployment of better technology has led to a significant expansion of the transmission segment. There was a total of 2,91,336 ckm transmission lines and 5,17,046 MVA transformer capacity as on March 31, 2014.

During the 12th five year plan there will be an addition of about 1,07,440 ckm of transmission lines and 2,70,000 MVA of AC transformer capacity.

Out of this, 33,855 ckm transmission lines and 1,20,995 MVA of AC transformer capacity were added up to FY2013-14. An investment of about USD 35 billion is intended in the transmission segment in order to meet the envisioned generation capacity addition of 88 GW in the 12th Plan.

The power transmission grid in India is moving from low and medium voltage (220 KV and below) to high (400 kV) and extra high voltage (765 kV and above). Furthermore, the transmission grid is also becoming technically more advanced with the introduction of automation, HVDC, and GIS technologies. The increasing use of renewable energy sources, mature infrastructure, and rising demand for electricity are boosting the need to improve transmission efficiency and energy security, thus contributing to the growth of the electrical transmission and distribution market. With a large increase in the power generation capacity, transmission capacity is also set to increase further. Moreover, the increase in the

transmission capital expenditure plan gives superior long-term prominence for companies serving the sector.

In the coming years, the demand for transmission capacity is expected to increase significantly, compelled largely by an increase in generation capacity and also due to requirements of open access, inter-regional transfers and addition of infirm renewable power in the system.

For encouraging greater private participation in the power transmission sector, it is imperative that private players be given a level playing field along with state owned players such as PGCIL.

Distribution

Power generation increased by 6% during 2013-14. The growth rate, though much better than 4% during fiscal 2013, was less than 8.1% two years ago.

POWER GENERATION

Year	BU	% Increase
2003-04	558.3	5.0
2004-05	587.4	5.2
2005-06	617.5	5.1
2006-07	662.4	7.3
2007-08	704.5	6.4
2008-09	723.8	2.7
2009-10	771.6	6.6
2010-11	811.1	5.1
2011-12	876.9	8.1
2012-13	912.1	4.0
2013-14	967.2	6.0

Source: Central Electrical Authority (CEA)

Total power generation in the country during FY 13-14 was 967 BU as against a generation target of 975 BU, about 0.9% below target.

The contribution from the private sector was 225.74 BU which was 109.5% against target of 206.15 BU.

The distribution segment is plagued by issues like high Aggregate Technical and Commercial (AT&C) losses, moderate tariff hikes and the weak financial condition of discoms. In view of the various difficulties like high distribution losses, poor financial condition of distribution companies and low billing recovery, the government has announced a financial restructuring proposal for SEBs/discoms. Eight states that account for 70-80% of the short-term liabilities have availed the benefit of this programme. Continued focus on the financial feasibility of the distribution sector is crucial for the success of the power sector. State discoms should stimulate workable franchise models in the distribution space to come out of from financial crisis.

Railways

The Indian railway network spans more than 64,600 km, making it the world's fourth largest rail network in terms of size.

In the 12th Five year Plan, the railways have set a target of electrification of 6,500 route km and hope to surpass the target with the annuity-based PPP route.

Since the initiation of the 12th Five Year Plan, several key policies have been announced in order to draw private investment in the development of rail infrastructure. The Cabinet Committee on Infrastructure has allowed private participation in rail connectivity and capacity enhancement projects. The Indian Railways has also identified 22 railway stations across the country that will be modernised as world class facilities. It also seeks to achieve an investment of ₹ 1.0 trillion through the PPP model, including freight terminals, port connectivity and redevelopment of stations.

Investments in Railway sector in India

(In Kms)	11th Plan Target	12th Plan Target	13th Plan Target
Particulars			
New Lines	2,000	2,205	4,000
Dedicated freight corridor	NA	NA	3,338
Gauge conversion	10,000	5,290	5,500
Doubling	6,000	2,756	7,653
Railway Electrification	3,500	4,501	6,500

Source: Planning Commission, 12th Five Year Plan

The capacity and network expansion, upgrade and modernisation planned by the Indian Railways are expected to provide a stimulus to the power sector. The steps taken by the government to build two dedicated freight corridors on the eastern and western routes will lead to critical capacity augmentation and would encompass construction of dedicated freight lines to carry predominantly coal and steel on the Eastern Corridor and containers on the Western Corridor. EMC is pre-qualified to bid for various parts of the dedicated freight corridors projects in association with partners, making it a key contender for getting fresh orders.

Global Markets

According to International Atomic Energy Agency, refurbishment of existing power plants over the next 30 years will need an investment of USD 439 billion.

Investment in transmission and distribution networks together will take 54% of the total amount. According to the Freedonia Group, a leading international business research company, the global demand for electric transmission and distribution (T&D) equipment will rise 6.7% annually to $177 billion in 2017.

T&D Investments during 2011-2035 (USD billion)

Region /Country	Transmission	Distribution
India	111	521
Americas	402	869
Europe	179	737
East Europe	133	308
Asia	850	2,417
Middle East	59	172
Africa	78	199
Latin America	93	220
World Total	1,839	5,252

Source: International Energy Agency (IEA) – World Energy Outlook 2011

In countries like North America and Western Europe, demand will grow as independent power producers (IPPs) continue to flourish and due to an increase in production of renewable energy projects. The Asia/Pacific region will continue its pace of growth due to an expansion of basic electrification infrastructure and increased electricity consumption in the industrial and manufacturing sectors. According to Global Wind Energy Council,the population of the Middle East is expected to grow by 31% by 2025 while GDP is predicted to rise by 4.3% by 2020. Such exponential population growth with economic development and urbanisation means a greater demand will be generated for the electric transmission and distribution networks of the Middle East and North Africa (MENA).

Emerging economies are expected to provide further growth to the power transmission and distribution equipment market, while the US and European nations are expected to remain major contributors due to their significant need for electrical power.

Most countries are expected to experience strong growth in the sector as governments of most countries are advancing and expanding their transmission and distribution infrastructure. EMC is escalating major power opportunities in Africa, Europe, Middle East and US.

Financial Highlights

On the back of strong order execution, net sales for the year 2013-14 stood at ₹ 3,224.59 crore, a

growth of 59% over the previous year. Earnings before interest, depreciation and tax (excluding other income) during the year ended March 31, 2014 increased by 54% to ₹ 290.88 crore. Profit after tax increased by 4.12% to ₹ 132.74 crore.

Operational Highlights

EMC secured a number of orders during the year, taking its total order book to ₹ 5,636 crore as on March 31, 2014.

Transmission Line Projects

During the year, the Company completed the following transmission lines resulting in commissioning of 1,076 Kms of transmission lines:-

- 400 kV Double Circuit Quad Agra-SikarT/L (Part I) – 196 Kms
- 400 kV Double Circuit Quad Agra-SikarT/L (Part II) – 190 Kms
- 765 kV Single Circuit Fatehpur-Agra Transmission Line – 167 Kms
- 765 kV Double Circuit Raigarh Pooling Station (Near Kotra) – Raipur Pooling Station T/L (Part II) – 79 Kms
- 765 kV Double Circuit Raigarh Pooling Station (Near Kotra) – Raipur Pooling Station T/L (Part III) – 82 Kms
- 765 kV Single Circuit Bareilly-Lucknow T/L (Part I) – 130 Kms
- 765 kV Single Circuit Bareilly-Lucknow T/L (Part II) – 122 Kms
- 400 kV Double Circuit Bhoopala Pally-Gajwel Transmission Line – 131 Kms

We achieved 939 foundations, 111,078 cubic metres of concreting, 2,045 towers erected totalling 89,897 MT of tower structures, and 2,155 km of stringing. These achievements are all for 400 kV and 765 kV transmission lines. Apart from these, the Company is currently executing 17 Transmission Line projects.

Substations / Rural Electrification / Distribution System Upgrades

During the year, we started the execution of 765/400 kV GIS at Vadodara and Padghe. Also, we commenced the execution of 400/220 kV substation at Chaibasha. All these orders are from PGCIL. We have also received an order from WBSETCL and have started execution on 132/133 kV GIS at Mathabhanga and Nazirpur.

The 400 kV S/S bay extension work at Salem was test charged in February 2014 and is due for commissioning from PGCIL. Also, the major activities for 400 kV New Pulling S/S at Salem including installation of main equipment for Bay 1 & 2 were completed in March 2014 and were due for commissioning in June 2014.

We have made significant progress on the SAIL-ISP (Balance of Plant project for expansion of IISCO Steel Plant) contract where we have charged and commissioned 5 LBDS buildings and received Provisional Acceptance Certificate in August 2013. The balance 5 LBDS & 2 LCSS have also been completed and commissioned during the October-December 2013 period for which we are accepting Provisional Acceptance Certificate from client. The road area and security lighting, installation of watch tower and high have been completed by January 2014.

We also achieved a breakthrough with the Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) under Infrastructure Plan Part II, Phase B awarding four turnkey EPC contracts totalling ₹ 452 crore (USD 75 million) for constructing sub transmission lines, new substations, augmentation of existing substations, laying of new HT & LT lines and creation of new DTCs of varying capacities in the Nashik zone in the state. The project is spread over Nashik and Ahmednagar districts and is to be completed in 24 months. The project is fully financed by REC and PFC.

In addition, we bagged three turnkey EPC contracts totalling ₹

795 crore (USD 133 million) from the J&K Power Development Department. These contracts are for implementation of the prestigious Rural-Accelerated Power Development and Reforms Programme (R-APDRP) scheme of GOI in Srinagar city under the Kashmir Valley and Kathua, Samba & R.S. Pura towns in Jammu Division. The project is financed by the Power Finance Corporation and also involves creation of HVDS system and laying of new lines with ABC and other allied works for reduction in T&D losses.

Railway Electrification, Signalling and Telecommunication

During the year, the Company acquired Bangalore-based Quatro Rail Tech Solutions Pvt. Ltd. (QRTS) which specialises in railway signalling and telecommunication.

The company provides Signalling, Telecommunication Safety, Security and Train Diagnostic solutions for Indian Railways and the transportation domain in general.

During the year, we received a second order for turnkey contract for Railway Electrification from CORE between Kumedhpur-Old Malda and Old Malda-Singhabad of Katihar Division, 168 TKM. Thereafter, in October, we received one of the biggest orders (in fact second largest order in the history of CORE Allahabad) for Garwa Road-Chopan-Singrauli and Shaktinagar, Dhanbad Division, 469 TKM.

We participated in Techno Commercial and Pricing Tender as Qualified Bidder of Gujarat Metro Project (MEGA). After successful pre-qualification we are now participating in the tendering process for one of the prestigious Dedicated Freight Corridor Corporation in their Eastern Corridor's Bhaupur-Khurja section for Turnkey Railway Electrification and Signalling and Telecom, 383 TKM, ₹ 1100 crore (USD 183 million).

We will be soon participating in tenders for the Kochi and Navi Mumbai Metros as well as Dedicated Freight Corridor Corporation's Eastern and Western Corridor tenders. Within a short span of time, Quatro has embarked upon an ambitious growth plan. The major landmark was the order received from Adani group for the Sarguja Rail Corridor project at Surajpur in Chhattisgarh district. Execution of signalling job at the Chittagong station in Bangladesh is also progressing well. Another milestone was Quatro getting empanelled in the Indian Railways, which will help in bidding in larger projects. The immediate result was bidding for a 13 station project in North West Railways.

Quatro has moved forward to build up business relationships with large transnational companies like Thales, Wipro and Indra. Quatro has been instrumental in closing the KMRCL order for Indra (fare collection system) and the Southern Railway, TPWS order for Thales. Quatro has signed a MoU with Wipro for jointly bidding for metro projects and the first initiative is already underway with Kochi Metro bidding for Alstom.

In line with a thrust to become a

"one stop solution" for Railway and Metro solutions including OHE, Quatro is gearing to meet the objectives. Our efforts to obtain enlistment of our Beliaghata Unit as approved supplier for fabricated and galvanised steel structures in railway projects have yielded positive results and we are expecting approval shortly.

Global Expansion

It is heartening to inform that our US-based company Advanced Steel & Crane, Inc. (ASC) in Tulsa (Oklahoma) achieved excellent performance by attaining sales and PBIT growth of 43% and 63% respectively over the preceding year. The current order book is robust and supply orders for projects have been obtained from major utility customers in North America.

Our subsidiary Technolines S.R.L in Italy is steadily growing in strength and has been executing 400 kV transmission line projects in Sweden, Finland and Italy.

In the current year, the Company has achieved substantial order booking and has successfully executed 400+ 110 kV Levasjoki-Ulvila transmission line for FINGRID in Finland. Technolines has also executed the 70 km 300 kV DC Nassjo-Varnmo transmission line in Sweden. The major highlight of this project was the erection of towers and stringing over difficult terrains was accomplished by using a helicopter deploying advanced technology.

Adequacy of Internal Control

The Company has in place adequate internal control systems and procedures appropriate with the size and nature of its business. The efficiency of the internal controls is constantly examined by the Audit Committee of the Company. The Internal Audit Department's main purpose is to provide to the Audit Committee and the Board of Directors an independent, objective and practical assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. It also follows up on the accomplishment of corrective actions and expansion in business processes after review by the Audit Committee and Senior Management.

Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations maybe "forward-looking statements" within the meaning of applicable securities laws and regulations. However, actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets where the Company operates, changes in Government regulations, tax laws and other statutes and other incidental factors.

International Business – At a glance

1. Advanced Steel & Crane, Inc. (ASC)

- Company based in, Tulsa, State of Oklahoma.
- Founded in 1970, ASC has served, with distinction, to more than 70 major Power Utilities across the United States, Canada as well as many Rural Electric Cooperatives in the US with transmission, substation steel structures, and components.
- It has 276,000 sq ft. of total facility area. The facility is suitably equipped with Brake Press, Angle Line, Automatic Saw, Overhead Cranes, Welding Machines, Drilling Machines, a brand new custom made Automatic Seam Welding Machine, etc operated by highly trained and knowledgeable workforce.

Product Lines

- Transmission & Substation Poles & Structures
- Fabricated and Assembled foundation cages including anchor bolts
- Steel Fasteners of any grade for structures
- Galvanized or painted structures
- PV Solar panel mounting steel structures
- Custom made lattice for Transmission and Distribution
- Steel Derricks for the Oil and Gas Industry
- Overhead bridges & cranes

  Aluminum Structures
- Aluminum connectors for substations

2. Tecnolines S.r.l

- Company based in Poredenone, Italy and is a well-organized company established in 1956 specializing in executing EHV Transmission Line projects on a turnkey basis.
- Tecnolines has certified manpower, and sufficient

Advanced Steel & Crane, Inc. has provided Substation steel structures and components to major Electrical Utilities as well as many Rural Electric Cooperatives across the United States and Canada.

equipment with centralized workshop at Pordenone (near Venice), Italy.

- It is one of the few players across the world capable of helicopter based tower erection and stringing and has executed many helicopter based tower erection and stringing.

Product Lines

The company offers the following services to its clients:

- **Power Lines Construction:** Tecnolines specializes in providing EPC services for Transmission lines ranging from 110-400kV.
- **Power Lines Materials Supply:** In cooperation with its valued partners Tecnolines can supply following materials:

  - Steel Structures
  - Phase conductors, Earthwires & OPGW
  - Hardware Fittings & Accessories

- **Installation of High Voltage Cables**

3. EMC WEST ASIA JLT

- It is a subsidiary incorporated in Dubai, U.A.E for catering to clients in T&D sector across GCC & MENA region.
- It is actively working towards making strategic tie-ups in these regions as local partners are required to do business in T&D sector in these regions.

4. EMC EAST ASIA JLT

- It is a subsidiary incorporated in Hongkong, for catering to clients in T&D sector across EAST ASIA.
- It is actively working towards making strategic tie-ups in this region.

5. TECNOLINES SINGAPORE PTE LTD

- It is a subsidiary in Singapore, for catering to clients in T&D sector across SOUTH EAST ASIA.
- Currently it is actively working towards making strategic tie-ups in this region.

Human Resources

EMC Ltd is dedicated to attracting, retaining and developing the best talent available. Our investment in our people includes competitive benefits, opportunities for professional development, training and career growth. Our training programmes aim at building a workforce with core, social, and technical skills.

EMC Ltd is an equal opportunity employer and practices ethical processes. We believe in instilling a strong sense of ownership towards work and the organization. We make every effort along the way to connect the power of human capital in driving business transformation. We ensure fair and ethical practices and comply with all health and safety requirements, fair wages and conditions and adherence to green norms.

Key focus areas

- Promote and foster a culture of care in the organization. Nurturing employees and enhancing their engagement in the organization through employee engagement initiatives foundation cages including
- Enhance employee productivity
- Boost capability through sustained initiatives like building a talent pool for critical positions and functions
- Make talent available through both internal and external recruitment to support our existing and future projects
- Maintain cordial employer-employee relation through effective grievance management procedures and focus on augmenting provisions of amenities and facilities

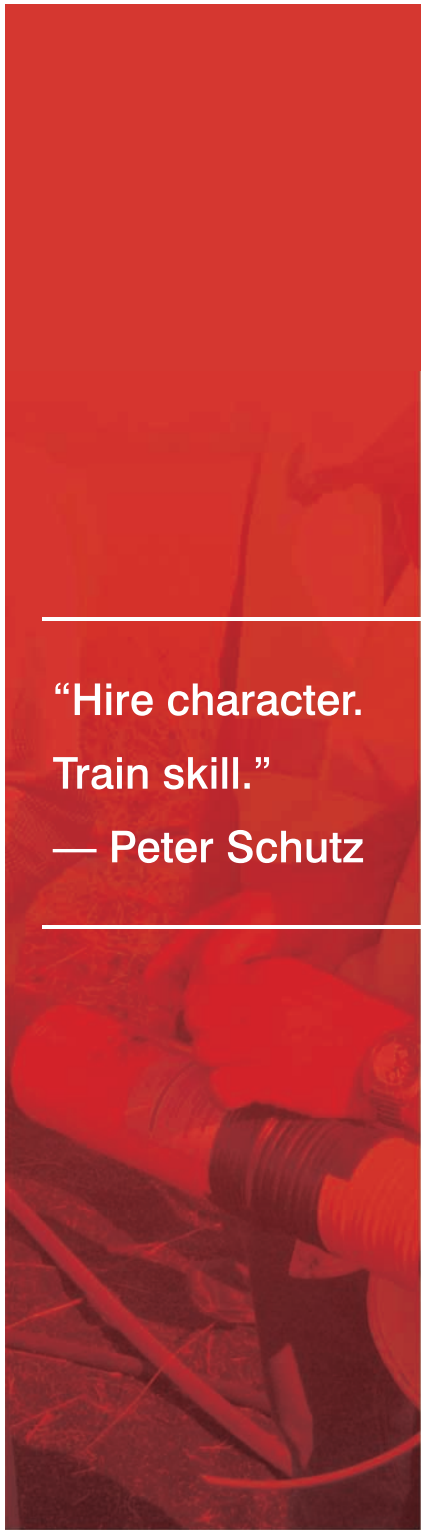
Key Initiatives

- **Recruitment:**

We implement a holistic approach while recruiting and promoting young talented people. **We recognize the importance of human resources and enhance their value with the aim of improving and increasing the skills and competitive ability of every individual.**

- **Communication of HR Policy & Procedures:**

We emphasis that our work processes and employment policies should facilitate employees to work efficiently with minimal bureaucracy. Communicating work guidelines so that employees understand what is expected of them is essential. From



this year onwards, the Employee Handbook detailing policies and procedures is being issued to all employees to reduce deviance among employees.

- **Training & Development:**

Our HR policy is built on recognizing merit and providing equal opportunities through specific training programmes.

The EMC Academy trains and develops application-based technical expertise and skill levels at all levels of the organization. This year's training programmes have been designed towards improving our employees' skills, personal development and grooming.

- **ESS:**

During the year we initiated the process of implementing Employee Self Service (ESS), which is a blend of technology and organizational change that allows employees to interact openly with their human resource data in the workplace.

This has helped us improve efficiency leading to cost reduction. Once ESS is fully implemented, it will give the entire workforce access to critical information to enable effective communication and streamline HR processes.

- **Employee welfare initiatives:**

EMC Ltd drives several key employee initiatives to motivate and engage our employees. These include career development, salary advance benefit, car purchase scheme, health check-up scheme, workplace processes and policies and compensation and benefits.

Employees are our key assets and we continuously invest in them to retain our competitive edge by nurturing a healthy and productive environment to ensure a strong performance management system that creates and encourages

Our investment in our people includes competitive benefits, opportunities for professional development, training and career growth.

Global Presence

Projects

Offices

Tulsa, USA
Delhi, India
Kolkata, India
Hong Kong
Hyderabad, India
Singapore
Banglore, India
Mumbai, India
Dubai, UAE
Cologne, Germany
Venice, Italy

EMC Academy

Nurturing the Future

"You don't understand anything until you learn it more than one way." – Marvin Minsky

India's power sector is at a critical stage with several large investments being made by public and private sector players. The sector is witnessing a fundamental shift with the opening up of new business opportunities for the industry. **In the 12th Five Year Plan (2012-17), total investment in the power sector is estimated to touch ₹18,202 billion.**

The strong economic growth and improved industrial activity is significantly increasing the demand for power in the country. In order to meet this upsurge, there is a need to increase capacity across the power value chain including equipment manufacturing, fuel resources, project management and operations. However, despite significant investments scheduled and a large number of projects being launched, a key constraint being faced is the lack of high-quality human resources.

One of the key stumbling blocks in developing adequate manpower in the sector is the lack of training infrastructure. To accomplish this in an effective and responsible manner, it is important that managerial talent is sufficiently oriented in commercial, social and environmental aspects of the industry. Strengthening industrial technical institutes is essential to achieve adequate availability of skilled manpower. We recognize that one of the major impediments to the growth of the Transmission & Distribution (T&D)-led EPC sector is the lack of trained manpower.

EMC Academy was conceptualized to meet the objectives and address the concern of trained manpower shortage in the T&D sector.

It is unique institution that deals with the professional development of engineers, supervisors & workforce to meet the growing need of trained manpower in the power sector.

Key Developments

During 2013-14, EMC Academy imparted around 1200 man-days of

training for different categories of employees. Besides our regular programmes, some specific training programmes were also conducted:

I) For the first time, a training programme for top level executives of EMC Ltd titled "Management By Results" was organized and conducted by Prof. KK Chowdhury, former director of the Army Institute of Management, Kolkata.

II) Prof. Gautam Bandyopadhyay, HoD, Department of Electrical Engineering and former Dean of Bengal Engineering & Science University (BESU) and Prof. Avinandan De, Asst. Professor at the Department of Electrical Engineering of BESU trained participants on "Design, Layout for EHV Sub-Station".

There is a need to further develop and empower human capital to ensure the nation's global expertise in the power sector. **EMC Ltd is committed to lead the way in empowering the industry through its Academy by nourishing technical talent for years to come.**

Financial Statements

Dear Members,

Your Directors have pleasure in presenting the Fifty-Eighth Annual Report of your Company and the Audited Accounts for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended on 31st March, 2014 is summarized below:

	2013-14 `	2012-13 `
INCOME		
Income from Operation	32,24,58,63,930	20,27,40,72,884
Other Income	9,32,33,885	7,69,87,366
	32,33,90,97,815	20,35,10,60,251
EXPENDITURE		
Manufacturing and Other Expenses	29,33,70,34,900	18,38,66,52,799
Interest	77,57,51,945	45,61,26,643
Depreciation	18,24,80,932	13,66,26,800
	30,29,52,67,777	18,97,94,06,242
PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAXATION	**2,04,38,30,038**	1,37,16,54,008
Add/Less: Exceptional Items	-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	**2,04,38,30,038**	1,37,16,54,008
Add/Less: Extraordinary Items	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS	**2,04,38,30,038**	1,37,16,54,008
Tax Expenses	71,64,05,228	44,79,16,421
PROFIT AFTER TAXATION	**1,32,74,24,811**	92,37,37,587

FINANCIALS

The total income of your Company has increased to ` 32,33,90,97,815/- from ` 20,35,10,60,251/- in the previous financial year. The profit before tax (PBT) increased from ` 1,37,16,54,008/- to ` 2,04,38,30,038. The profit after tax for the current year is ` 1,32,74,24,811 as against ` 92,37,37,587/- in the previous financial year.

CONSOLIDATED ACCOUNTS

The Ministry of Corporate Affairs (MCA) has granted general exemption to companies by General Circular No. 2/2011 dated 8th February, 2011, under Section 212(8) of the Companies Act, 1956, from attaching individual accounts of subsidiary companies with the Annual Report of the Holding Company. Accordingly, the Board of Directors of your Company has, by resolution, given consent for not attaching the Balance Sheet and Profit & Loss Account and other documents of its subsidiaries in the Annual Report of your Company for the period and financial year ended on 31st March, 2014.

The Board of Directors of your Company at its meeting held on 31st May, 2014 approved the Audited Consolidated Financial Statements for the financial year 2013-14 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this report.

SUBSIDIARIES

As on 31st March, 2014, your Company had fourteen subsidiary companies namely EMC Hardware Limited, EMC Solar Limited, EMC Tower Limited (Formerly EMC Power Limited), EMC Forging Limited (Formerly EMC Energy Limited), EMC Logistics Limited, EMC

Infrastructure Limited, EMC Academy Limited, EMC Overseas Limited, Quatro Rail Tech Solutions Private Limited, Advanced Steel & Crane Inc., Tecnolines International SRL, EMC West Asia JLT, EMC East Asia Limited and Tecnolines Singapore Pte. Limited.

Quatro Rail Tech Solutions Private Limited became a subsidiary w.e.f. 31st July, 2013. EMC West Asia JLT, EMC East Asia Limited and Tecnolines Singapore Pte. Limited became wholly owned subsidiaries w.e.f. 6th May, 2013, 17th January, 2014 and 28th January, 2014 respectively.

The detailed financial statements and audit reports of each of the subsidiaries are available for inspection at the registered office of your Company during office hours between 11 a.m. to 1 p.m. and upon written request from a shareholder, your Company will arrange to send the financial statements of subsidiary companies to the said shareholder.

DIVIDEND

Your Board has recommended a Dividend of Re. 1 per Equity Share (10%) for the financial year 2013-14 to the Equity shareholders of your Company. The Dividend for the financial year 2013-14 shall be subject to tax on dividend to be paid by your Company but will be tax-free in the hands of the shareholders.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the financial year 2013-14 and there are no outstanding fixed deposits from the public as on 31st March, 2014.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Energy conservation continued to be an area of priority. Continued efforts on rationalization of demands in manufacturing locations and increase in production volume resulted in the saving of energy compared to the earlier years. Your Company has used modern technology to install solar power plants and thereby generating solar energy.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has incurred ` 4681.12 lacs (previous year ` 6,052.21 lacs), which includes Investments made and Advances given to Foreign Subsidiaries, towards foreign exchange expenditure during the financial year under review and has earned ` 2,638.81 lacs (previous year ` 92.94 lacs) foreign exchange during the said period.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In the preparation of the Annual Accounts for the financial year ended on 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. 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 profit of the Company for the financial year under review;

iii. The Directors have 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; and

iv. The Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2014 on a going concern basis.

DIRECTORS

During the financial year under review, Mr. Subroto Chaudhury was appointed as a Whole-time Director of the Company w.e.f. 1st March, 2014 and Mr. Manish Agarwal was appointed as a Non-executive Director w.e.f. 27th March, 2014. Further, the Board

re-appointed Mr. Durga Prasad Sharma as the Executive Director of the Company w.e.f. 29th April, 2014. Mr. Suraj Mall Singhi and Mr. Saubir Bhattacharyya were re-appointed as Independent Directors with effect from 1st April, 2014. All the aforesaid appointments of Directors are subject to the approval of the members at the ensuing Annual General Meeting.

Mr. Sunder Lal Dugar, Director of the Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer himself for re-appointment.

AUDIT COMMITTEE

The composition of the Audit Committee of your Company as on 31st March, 2014 comprised of Mr. Suraj Mall Singhi, Chairman, Mr. Saubir Bhattacharyya and Mr. Manoj Toshniwal. Two meetings of the Committee were held during the financial year 2013-14.

REMUNERATION COMMITTEE (NOMINATION AND REMUNERATION COMMITTEE)

The composition of the Remuneration Committee of your Company as on 31st March, 2014 comprised of Mr. Suraj Mall Singhi, Chairman, Mr. Saubir Bhattacharyya and Mr. Sunder Lal Dugar. Two meetings of the Committee were held during the financial year 2013-14.

SHAREHOLDERS' / INVESTOR GRIEVANCE COMMITTEE (STAKEHOLDERS RELATIONSHIP COMMITTEE)

The composition of the Shareholders' / Investor Grievance Committee of your Company as on 31st March, 2014 comprised of Mr. Saubir Bhattacharyya, Chairman, Mr. Manoj Toshniwal and Mr. Ramesh Chandra Bardia. Twenty eight meetings of the Committee were held during the financial year 2013-14.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Corporate Social Responsibility Committee of your Company was formed on 31st May, 2014. The Committee is comprised of Mr. Suraj Mall Singhi, Chairman, Mr. Ramesh Chandra Bardia, Member and Mr. Manish Agarwal, Member.

INTERNAL COMPLAINTS COMMITTEE

No complaint relating to sexual harassment at workplace was received by the Internal Complaints Committee as on date.

AUDITORS

The Auditors of your Company, M/s SRB & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment as the Auditors of your Company for the financial year 2014-15. Your Company has obtained a written consent from them to the effect that their re-appointment, if made, would be in terms of Section 139 of the Companies Act, 2013 and Rule 3 and 6 of Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for re-appointment within the meaning of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors of your Company recommend the re-appointment of M/s SRB & Associates, Chartered Accountants, as the Auditors of your Company for the financial year 2014-15.

M/s. Acharyya Swapan & Co., Chartered Accountants are the Internal Auditors of the Company. They function independently and submit their report to the Audit Committee.

Any query from the Auditors is being dealt with in the Notes to Accounts.

APPRECIATION

Your Directors wish to place on record their appreciation for the co-operation received from the Government of West Bengal and the Bankers and look forward for such co-operation in the future as well. Your Directors would like to express their grateful appreciation to all the employees at all levels for their hard work, solidarity, co-operation and support during the financial year. Your Directors also wish to place on record their deep appreciation to customers, shareholders, vendors, suppliers and other stakeholders for their continued support.

For and on behalf of the Board

Place: Kolkata
Dated: 31st May, 2014

MANOJ TOSHNIWAL
Managing Director

RAMESH CHANDRA BARDIA
Joint Managing Director

To the Members of EMC Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of EMC Limited ('the Company') which comprises of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September, 2013 of The Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of the internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

5. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the 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 appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act 1956 ("the Act") read with general circular 15/2013 dated 13th September, 2013 of The Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013; and

   e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

6. As required by Section 227 (2) of the Companies Act 1956, we report that in our opinion and to the best of our information and according to the explanations given to us, the 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:

   i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

   ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SRB & ASSOCIATES
Chartered Accountants
Firm Regn. No: 310009E

Sanjeet Patra
Partner
Membership No: 056121

Place: Kolkata
Date: 31st May, 2014

Referred to in paragraph 4 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 fixed assets.

   b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

2. In respect of its inventories:

   a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

3. The company has not taken or given any loans, secured or unsecured from/to companies, firms or other parties listed 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal controls system.

5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of The Companies Act,1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

   b. Where each of such transaction is in excess of ` 5 Lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore the provisions of clause (VI) of the Companies (Auditor's Report) Order 2003 are not applicable.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. According to the information and explanations given to us in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as on 31st March, 2014 for a period of more than six months from the date they became payable.

c) Details of dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below;

Central excise act, 1944	Nature of Dues	Year	Forum where Dispute is Pending	Amount Involved (Amount in `)
The West Bengal Value Added Tax Act, 2003	Value added tax	2008-09	Revisional Board	6,16,07,050
The West Bengal Value Added Tax Act, 2003	Value added tax	2009-10	Revisional Board	4,21,13,611
The West Bengal Value Added Tax Act, 2003	Value added tax	2010-11	Additional Commissioner	1,70,94,267
The West Bengal Value Added Tax Act, 2003	Value added tax	2011-12	Additional Commissioner	1,22,81,821
Central Excise Act, 1944	Service tax	2007-08	CESTAT(Chennai)	26,01,247
Central Excise Act, 1944	Service tax (Chinwara)	2008-09	CESTAT(Delhi)	4,44,135
Central Excise Act, 1944	Service tax (Bihar)	2007-08 to 2010-11	CESTAT(Kolkata)	3,02,63,210
Total				**16,64,05,341**

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions, debenture holders.
12. In our opinion and according to the information and explanation 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. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, mutual fund debentures and other investments and timely entries have been made therein. All shares, debentures, mutual fund and other investments have been held by the Company in its own name.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.
18. According to the information and explanation given to us, the Company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of The Companies Act 1956.
19. According to the information and explanation given to us the Company has not issued any secured debentures during the year under audit.
20. The Company has not raised any money through public issue during the year.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For SRB & ASSOCIATES
Chartered Accountants
Firm Regn. No: 310009E

Sanjeet Patra
Partner
Membership No: 056121

Place: Kolkata
Date: 31st May, 2014

	Note No.	As at 31st March, 2014 `		As at 31st March, 2013 `	
I. EQUITY & LIABILITIES					
1. SHAREHOLDER'S FUNDS					
a) Share Capital	1	37,00,00,000		37,00,00,000	
b) Reserves & Surplus	2	3,66,45,88,510	4,03,45,88,510	2,38,06,61,806	2,75,06,61,806
2. NON-CURRENT LIABILITIES					
a) Long term Borrowings	3	2,14,16,53,997		2,32,19,51,394	
b) Deferred Tax Liabilities (Net)	4	12,42,11,411		9,00,04,107	
c) Other Long term Liabilities	5	54,17,71,024	2,80,76,36,432	41,28,19,741	2,82,47,75,242
3. CURRENT LIABILITIES					
a) Short term borrowings	6	4,18,24,53,526		3,36,42,95,967	
b) Trade Payables	7	9,97,60,86,050		5,58,24,21,056	
c) Other Current Liabilities	8	1,06,07,18,189		85,21,43,628	
d) Short term Provisions	9	61,11,39,029	15,83,03,96,793	25,15,37,238	10,05,03,97,888
			22,67,26,21,734		**15,62,58,34,936**
II. ASSETS					
4. NON-CURRENT ASSETS					
a) Fixed Assets:	10				
i. Tangible Assets		1,95,35,04,373		1,92,20,06,932	
ii. Intangible Assets		41,62,890		40,16,220	
iii. Capital work-in-progress		15,30,474		4,62,70,182	
b) Non-current Investments	11	17,52,29,521		13,74,52,770	
c) Long term Loans & Advances	12	8,66,26,520		8,16,26,520	
d) Other non-current Assets	13	25,95,07,358	2,48,05,61,135	27,62,15,225	2,46,75,87,849
5. CURRENT ASSETS					
a) Inventories	14	1,19,68,00,600		1,74,72,53,504	
b) Trade Receivables	15	10,83,18,39,692		5,37,44,02,026	
c) Cash and cash Equivalents	16	90,58,44,352		74,15,10,144	
d) Short term Loans & Advances	17	6,94,17,58,722		5,11,35,02,894	
e) Other Current Assets	18	31,58,17,233	20,19,20,60,599	18,15,78,519	13,15,82,47,087
			22,67,26,21,734		**15,62,58,34,936**
Significant Accounting Policies & Notes on Financial Statements	1 to 33				

As per our Report of even date attached

For M/s SRB & Associates
Chartered Accountants
(Firm Regn. No. 310009E)

Sanjeet Patra
(Partner)
Membership No. 056121
Kolkata,The 31st day of May, 2014.

For and on behalf of the Board

Manoj Toshniwal
Managing Director

Ramesh Chandra Bardia
Jt. Managing Director

Chandra Sekhar Adhikary
Company Secretary

	Note No.	For the Period Ended 31st March, 2014 (`)		For the year Ended 31st March, 2013 (`)	
I INCOME					
Revenue from Operations	19		32,24,58,63,930		20,27,40,72,884
Other Income	20		9,32,33,885		7,69,87,366
Total			**32,33,90,97,815**		**20,35,10,60,251**
II EXPENDITURE					
Cost of Materials Consumed	21		24,90,11,69,843		14,00,10,59,588
Change in inventories of Finished goods work-in-progress and Stock-in Trade	22		12,50,61,916		(33,96,76,909)
Employee benefits Expense	23		71,50,75,944		57,41,26,994
Finance Costs	24		77,57,51,945		45,61,26,643
Depreciation and Amortization	25		18,24,80,932		13,66,26,800
Other Expenses	26		3,59,57,27,196		4,15,11,43,126
Total			**30,29,52,67,777**		**18,97,94,06,242**
Profit before Exceptional, Extraordinary items and Taxation			2,04,38,30,038		1,37,16,54,008
Add/Less: Exceptional Items			-		-
Profit before Extraordinary items and Taxation			2,04,38,30,038		1,37,16,54,008
Add/Less: Extraordinary Items			-		-
Profit before Taxation from continuing operations			2,04,38,30,038		1,37,16,54,008
Tax Expenses:					
- Current Tax (MAT/IT)		66,04,19,161		40,74,73,827	
Tax adjustment of an earlier year		8,75,951		(11,73,592)	
Interest on Income tax		2,09,02,811		44,25,525	
- Deferred Tax (Expense)/Benefit-for Current Year		3,42,07,304	71,64,05,228	3,71,90,661	44,79,16,421
Profit after Taxation from continuing operations for the year			1,32,74,24,811		92,37,37,587
- Deferred Tax (Expense)/Benefit-for Earlier Years		-		-	
A) Profit after Taxation from continuing operations			**1,32,74,24,811**		**92,37,37,587**
Profit before Taxation from discontinuing operations			-		-
Less: Tax Expense for discontinuing operations			-		-
B) Profit after Taxation from discontinuing operations			**-**		**-**
Profit after Taxation for the period (A+B)			1,32,74,24,811		92,37,37,587
Earnings per Equity Share (Face Value of)	27				
- Basic			35.88		27.97
- Diluted			35.88		27.97
Significant Accounting Policies & Notes on Financial Statements	1 to 33				

As per our Report of even date attached

For M/s SRB & Associates
Chartered Accountants
(Firm Regn. No. 310009E)

For and on behalf of the Board

Sanjeet Patra
(Partner)
Membership No. 056121
Kolkata,The 31st day of May, 2014.

Manoj Toshniwal
Managing Director

Ramesh Chandra Bardia
Jt. Managing Director

Chandra Sekhar Adhikary
Company Secretary

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax as per Profit and Loss Account	2,04,38,30,038	1,37,16,54,008
Adjusted for:		
Depreciation/Amortization	18,24,80,932	13,66,26,800
Interest on Fixed Deposit	(5,97,42,284)	(5,15,10,689)
Interest Expenses-Financial Cost	77,57,51,945	45,61,26,643
Profit on sale of Fixed Assets	-	(7,333)
Operating Profit Before Working Capital Changes:	**2,94,23,20,632**	**1,91,28,89,430**
Adjusted for (Increase (-)/Decrease(+) in:		
Inventories	55,04,52,905	(83,22,17,677)
Sundry Debtors	(5,46,12,38,368)	(1,64,23,63,187)
Loans and Advances	(1,94,69,85,973)	(3,51,11,09,967)
Current Liabilities and Provisions	3,89,23,40,705	2,71,01,44,668
	(2,96,54,30,731)	(3,27,55,46,163)
Cash Flow From Operating Activities before Tax Payments	(2,31,10,099)	(1,36,26,56,733)
Taxes Paid	(31,47,34,685)	(21,47,35,849)
Cash Flow From Operating Activities (A)	**(33,78,44,785)**	**(1,57,73,92,582)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Asset Purchased	(16,95,95,291)	(72,67,92,914)
Proceeds from Sale of Fixed Assets	-	25,000
Investment in Subsidiary	(3,77,76,751)	(13,21,03,750)
Sale of Current Investment	-	-
Interest on Fixed Deposit	5,97,42,284	5,15,10,689
Cash Flow From Investing Activities (B)	**(14,76,29,758)**	**(80,73,60,975)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	1,48,48,95,586	69,43,62,067
Increase in Capital and Reserves	-	50,00,00,000
Proceeds from Long Term Borrowings	(1,63,32,565)	1,55,93,15,757
Interest Paid	(77,57,51,945)	(45,61,26,643)
Dividend paid Including Tax	(4,30,02,325)	(3,83,53,425)
Cash Flow From Financing Activities (C)	**64,98,08,750**	**2,25,91,97,756**
Net Increase(+)/Decrease(-) in Cash and Cash Equivalents (A+B+C)	16,43,34,208	(12,55,55,801)
Opening Balance of Cash and Cash Equivalents	74,15,10,144	86,70,65,945
Closing Balance of Cash and Cash Equivalents	**90,58,44,352**	**74,15,10,144**

Notes:

1. All figures in brackets are outflow.
2. Cash and Cash Equivalent is as per Balance Sheet.

As per our Report of even date attached

For M/s SRB & Associates
Chartered Accountants
(Firm Regn. No. 310009E)

Sanjeet Patra
(Partner)
Membership No. 056121
Kolkata,The 31st day of May, 2014.

For and on behalf of the Board

Manoj Toshniwal	**Ramesh Chandra Bardia**	**Chandra Sekhar Adhikary**
Managing Director	Jt. Managing Director	Company Secretary

	As at 31st March, 2014 `	As at 31st March, 2013 `
NOTE - 1		
SHARE CAPITAL		
Authorized		
7,50,00,000 Equity Shares of ` 10/- each	75,00,00,000	75,00,00,000
	75,00,00,000	**75,00,00,000**
Issued, Subscribed and Paid-up		
3,70,00,000 Equity Shares of ` 10/- each fully paid-up	37,00,00,000	37,00,00,000
	37,00,00,000	**37,00,00,000**

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year

	Number of Shares	
	As at 31st March, 2014	As at 31st March, 2013
Number of shares outstanding at the beginning of the year	3,70,00,000	3,30,00,000
Add: Arising out of shares issued during the year	-	40,00,000
	3,70,00,000	3,70,00,000
Less: Shares forfeited/brought back/ canceled during the year	-	-
Number of shares outstanding at the end of the year	**3,70,00,000**	**3,70,00,000**

Notes:

Details of changes in Share Capital:

a) of the above share 3,32,51,180 shares are allotted as fully paid-up for payment in Cash.

b) of the above shares 48,000 shares are allotted as fully paid up pursuant to a contract without payments received in cash.

c) of the above shares 6,90,000 shares are allotted as fully paid up by way of bonus shares by capitalization of General Reserves.

d) of the above 10,820 shares are allotted as fully paid upon cancellation and conversion of 1,082 cumulative preference shares of ` 100/- each fully paid up.

e) of the above 30,00,000 shares are allotted fully paid upon cancellation and conversion of 30,00,000 non cumulative redeemable preference shares of ` 10/- each.

f) Number of shares held by each share holder holding more than 5% shares in the company are as follows:

Particulars	Number of Shares		% of Shareholding	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Equity Shares:				
i) MKN Investments Pvt. Ltd.	40,00,000	40,00,000	10.81	10.81
ii) Pyramid Sales Pvt. Ltd.	59,04,305	59,04,305	15.96	15.96
iii) Trinetra Electronics Ltd.	24,48,528	24,48,528	6.62	6.62
iv) Tamkore Investments Pvt. Ltd.	24,00,000	24,00,000	6.49	6.49
v) Metalind Private Ltd.	28,50,000	28,50,000	7.70	7.70
vi) Subhas Impex Pvt. Ltd.	33,96,056	33,96,056	9.18	9.18
viii) Vinod Dugar	43,18,624	43,18,624	11.67	11.67
ix) Sheetal Dugar	44,29,145	44,29,145	11.97	11.97
x) Mr. Ramesh Chandra Bardia	20,11,145	20,04,889	5.44	5.42

	As at 31st March, 2014 `		As at 31st March, 2013 `	
NOTE - 2				
RESERVE & SURPLUS				
Capital Reserves				
As per last Balance Sheet		14,51,991		14,51,991
Revaluation Reserves				
As per last Balance Sheet	43,97,594		46,06,417	
Add: Adjustment for Sale of old Assets	-		1,134	
	43,97,594		46,07,551	
Less: Transferred to Depreciation Account	2,09,957	41,87,637	2,09,957	43,97,594
Securities Premium Account				
As per last Balance Sheet	73,00,00,000		27,00,00,000	
Add: Premium on Shares issued during the year	-	73,00,00,000	46,00,00,000	73,00,00,000
Forfeiture Reserve Account				
As per last Balance Sheet		51,250		51,250
Surplus				
As per last Balance Sheet	1,64,47,60,971		76,40,25,709	
Add: Profit after tax earned during the period	1,32,74,24,811		92,37,37,587	
Less: Proposed Dividend	3,70,00,000		3,70,00,000	
Less: Dividend Distribution Tax	62,88,150	2,92,88,97,632	60,02,325	1,64,47,60,971
		3,66,45,88,510		**2,38,06,61,806**
NOTE - 3				
LONG-TERM BORROWINGS				
(i) Term Loan				
Secured				
From Banks		47,46,74,336		68,62,49,570
From Others (IRD. Government of W.B)		6,54,84,361		7,04,84,361
Unsecured				
From Banks		20,00,00,000		60,00,00,000
(ii) Car Loan				
Secured				
From Banks		23,57,372		-
(iii) Other Loans & Advances		1,39,91,37,928		96,52,17,463
		2,14,16,53,997		**2,32,19,51,394**

NOTE -3.1

1. Term Loans from Punjab National Bank and Oriental Bank of Commerece are secured by way of creation of charge ranking Parri Passu on the Fixed Assets of Solar Power Project and all other existing and future movable and immovable assets of the Company. The loans are further secured by personal guarantees of some of the Promoter Directors of the Company.
2. Term Loans from Punjab National Bank & Oriental Bank of Commerce are Repayable over 44 Quarterly Installments commencing from the quarter beginning 1st October, 2012 and bears an Interest rate of 11% from PNB & 12% from OBC.
3. Term Loans taken from UCO Bank, Karur Vysya Bank and Central Bank under Equipment Finance arrangement (to the tune of ` 65.00 crores) have been secured by creation of First Charge on the fixed assets (Equipments) of the company to be created out of Bank Finance on Pari Passu basis with other lending banks financing the proposed Term Loan requirement of the Company. The loans are further secured by personal guarantees of some of the Promoter Directors of the Company.
4. The Term Loan under Equipment Finance arrangement is repayable in 10 quarterly installments starting from Quarter ending March, 2013.
5. Unsecured Term Loan from South Indian Bank(to the tune of ` 100 crores) is repayable in 10 equal Quarterly Installments starting from the quarter ending June 2013-14 and bears an interest rate of 13.50% p.a.
6. Loan from Government of West Bengal is secured by way of Pari Passu charge ranking next only to the charges in favour of financial situtions / Banks, on the fixed assets of the company, both present as well as future. The Loan is repayable in fourteen equal annual installments (excluding interest) starting from 31st March, 2013. The Loan carries interest of 8.75% p.a with a rebate of 2% p.a for timely repayment. Interest is paid as and when due.
7. Vehicle loan is secured by way of mortgage of vehicle. The loan carries interest of 13.75% and is repayable by 2016-17.
8. Other Loans & Advances includes advances from parties.

	As at 31st March, 2014		As at 31st March, 2013	
NOTE - 4				
DEFERRED TAX LIABILITIES (NET)				
Opening Balance	9,00,04,107		5,28,13,446	
Add - Adjustment for current year	3,42,07,304	12,42,11,411	3,71,90,661	9,00,04,107
Closing Balance		**12,42,11,411**		**9,00,04,107**
NOTE - 5				
OTHER LONG-TERM LIABILITIES				
Trade Payables (payable beyond 12 months)		54,17,71,024		41,28,19,741
		54,17,71,024		**41,28,19,741**
NOTE - 6				
SHORT-TERM BORROWINGS				
i) Working Capital Loan - Secured				
From Banks - repayable on demand		3,48,40,91,625		1,99,91,96,039
ii) Other Loans and Advances		69,83,61,901		1,36,50,99,927
		4,18,24,53,526		**3,36,42,95,967**

NOTE - 6.1

Working Capital Facilities are secured by way of:

1. Hypothecation on Pari Passu basis of the entire Stock in Trade, Book Debts and any other current assets of the company, both present and future.
2. First charge on the entire immovable and movable Fixed Assets of the Company and equitable mortgage on Landed properties of the Company at Naini (Allahabad) excluding the assets of solar power project.
3. Personal guarantees of some of the Promoter Directors of the Company.

NOTE - 7				
TRADE PAYABLES				
Sundry Creditors for goods and expenses		9,97,60,86,050		5,58,24,21,056
		9,97,60,86,050		**5,58,24,21,056**
NOTES - 8				
OTHER CURRENT LIABILITIES				
i) Current maturities of long-term debt:				
Term Loan (Amount to be paid in one year) - Principal	86,03,32,042		71,10,00,000	
Car Loan (Amount to be paid in one year)	842,628	86,11,74,670	3,77,715	71,13,77,715
ii) Unpaid Dividend		2,78,064		2,78,964
iii) Interest Accrued but not paid		2,52,45,295		1,10,77,418
iv) Other Liabilities		17,40,20,159		12,94,09,531
		1,06,07,18,189		**85,21,43,628**
NOTE - 9				
SHORT-TERM PROVISIONS				
Provision for Income Tax (Net of advance tax)		56,34,53,149		19,59,89,911
Provision for Proposed Dividend		3,70,00,000		3,70,00,000
Provision Dividend Distribution Tax		62,88,150		60,02,325
Other Provision *		43,97,730		1,25,45,002
		61,11,39,029		**25,15,37,238**

* Other provision represents liability for excise duty on goods lying as closing stock at factory premises.

NOTE - 10
FIXED ASSETS

(Amount in `)

Particular of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Block as on 01.04.2013	Addition during the year	Sale/ Adjustments during the year	Gross Block as on 31.03.14	Accumulated Depreciation upto 01.04.2013	Depreciation during the year	Deduction / Adjustment during the year	Accumulated Depreciation upto 31.03.14	As at 31.03.14	As at 01.04.2013
TANGIABLE ASSETS (A)										
FREEHOLD LAND	34,50,280	-	-	34,50,280	-	-	-	-	34,50,280	34,50,280
BUILDINGS & STRUCTURES	8,78,35,987	54,75,682	-	9,33,11,669	1,41,22,375	19,55,664		1,60,78,039	7,72,33,629	7,37,13,612
PLANT & MACHINERY	2,15,99,54,100	20,08,67,223		2,36,08,21,323	35,55,34,323	17,55,01,518		53,10,35,841	1,82,97,85,482	1,80,44,19,777
VEHICLES	1,28,92,214	38,12,545	-	1,67,04,759	81,59,810	5,50,704		87,10,514	79,94,245	47,32,404
FURNITURE, FIXTURE & EQUIPMENT & COMPUTER	5,72,90,702	34,18,171		6,07,08,873	2,15,99,843	40,68,294		2,56,68,137	3,50,40,736	3,56,90,859
TOTAL (A)	**2,32,14,23,283**	**21,35,73,621**	**-**	**2,53,49,96,904**	**39,94,16,351**	**18,20,76,180**	**-**	**58,14,92,531**	**1,95,35,04,373**	**1,92,20,06,932**
INTANGIBLE ASSETS (B)										
COMPUTER SOFTWARE, LICENSES FOR SOFTWARE	53,85,717	7,61,378	-	61,47,095	13,69,496	6,14,709		19,84,205	41,62,890	40,16,221
TOTAL (A+B)	2,32,68,09,000	21,43,34,999	-	2,54,11,43,999	40,07,85,847	18,26,90,889	-	58,34,76,736	1,95,76,67,263	1,92,60,23,153
PREVIOUS YEAR	**1,50,70,82,153**	**82,13,80,167**	**16,53,317**	**2,32,68,09,000**	**26,55,85,875**	**13,68,36,757**	**16,36,784**	**40,07,85,848**	**1,92,60,23,152**	

	As at 31st March, 2014 `		As at 31st March, 2013 `	
NOTE - 11				
NON CURRENT INVESTMENTS				
Unquoted at Cost in wholly owned subsidiaries				
25,000 (P.Y: 25,000) Shares of ` 100/- each fully paid in EMC Hardware Ltd. at cost	15,00,000		15,00,000	
50,000 (P.Y: 50,000) Shares of ` 10/- each fully paid in EMC Infrastructure Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ` 10/- each fully paid in EMC Logistics Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ` 10/- each fully paid-up in EMC Forging Ltd. at cost	5,00,000		5,00,000	
10,00,000 (P.Y:50,000) Shares of ` 10/- each fully paid-up in EMC Tower Ltd. at cost	1,00,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ` 10/- each fully paid-up in EMC Solar Ltd. at cost	5,00,000		5,00,000	
50,000 (P.Y: 50,000) Shares of ` 10/- each fully paid-up in EMC Academy Ltd. at cost	5,00,000		5,00,000	
15,00,000 (P.Y: 50,000) Shares of ` 10/- each fully paid-up in EMC Overseas Ltd. at cost	1,50,00,000		1,50,00,000	
6,00,000 Shares of ` 10/- each fully paid-up in Quatro Rail Tech Solutions Pvt. Ltd.	60,00,000		-	
Investment in BCPL - EMC - JV	2,45,000	3,52,45,000	-	1,95,00,000
Quoted at Cost				
3,878 (P.Y: 3,878) Shares of ` 10/- each fully paid-up in Powergrid Corporation of India Ltd. [Market Value - ` 4,07,190/- (PY ` 4,10,292)]		3,49,020		3,49,020
Foreign Subsidiary				
4,900 shares of Advanced Steel & Crane Inc.		11,05,85,000		11,05,85,000
70% Quota of Tecnolines S.R.L.		70,18,750		70,18,750
1,350 shares of AED 1000/- each fully paid in EMC West ASIA JLT		2,19,74,625		-
1,000 shares of Singapore $1/- each, subscribed in Technolines Singapore PTE Ltd		49,231		-
1,000 shares of HK $1/- each, subscribed in EMC East Asia Ltd.		7,895		-
		17,52,29,521		**13,74,52,770**
NOTE - 12				
LONG-TERM LOANS AND ADVANCES				
(Unsecured, Considered Good)				
i) Advance Sales Tax	8,66,26,520	8,66,26,520	8,16,26,520	8,16,26,520
		8,66,26,520		**8,16,26,520**

	As at 31st March, 2014		As at 31st March, 2013	
		`		`
NOTES - 13				
OTHER NON-CURRENT ASSETS				
(Unsecured, Considered Good)				
i) Trade Receivables (over six months)	3,27,42,207		3,27,42,208	
Less: Provision for Doubtful Debts	-		-	
(Unsecured, Considered Good)	3,27,42,207		3,27,42,208	
Trade Receivables (less than six months)	12,29,68,828		11,91,68,125	
ii) Security deposits (Maturing beyond 12 months)	6,10,66,242		9,66,57,215	
iii) Prepaid Expenses	4,27,30,081		2,76,47,677	
		25,95,07,358		27,62,15,225
		25,95,07,358		**27,62,15,225**
NOTES - 14				
INVENTORIES				
Raw Materials		5,32,51,111		10,98,13,528
Stores, Loose Tools And Spares		12,76,92,058		14,71,44,674
Semi Finished Goods and Work-in-Progress		6,00,89,389		11,33,51,487
Finished Goods		24,79,62,628		31,99,73,322
Erection Material at Site		51,87,78,403		86,81,54,359
Construction work in Progress		18,67,83,863		18,67,83,863
Scrap		22,43,148		20,32,272
		1,19,68,00,600		**1,74,72,53,504**
NOTES - 15				
TRADE RECEIVABLES				
(Unsecured, Considered Good)				
Debts over 6 months (realisable within 12 months)	1,15,81,23,277		1,04,25,22,378	
Debts less than six months	9,67,37,16,415		4,33,18,79,648	
		10,83,18,39,692		**5,37,44,02,026**
NOTES - 16				
CASH & CASH EQUIVALENTS				
i. Balances with Scheduled Banks:				
a. In Current Accounts	10,29,36,219		10,08,11,106	
b. In Fixed Deposit and Margin Accounts	75,07,65,074		61,13,61,467	
c. In Dividend Account	2,78,774		2,79,674	
	85,39,80,067		71,24,52,247	
ii. Cash on Hand	5,18,64,285	90,58,44,352	2,90,57,897	74,15,10,144
[Includes Cheque in hand - ` 1,76,54,500/- (PY - ` 1,06,49,000)]		**90,58,44,352**		**74,15,10,144**

Fixed Deposit includes ` 74,71,00,474 ( ` 60,79,18,324) towards Margin Money against non-fund based facilities from banks.

	As at 31st March, 2014		As at 31st March, 2013	
NOTE - 17				
SHORT TERM LOANS AND ADVANCES				
(Unsecured, Considered Good)				
i. Advance to Related Parties	33,04,98,148		2,05,89,041	
ii. Advance Statutory Payments	19,28,68,130		28,86,33,975	
iii. Advances to Employees	1,30,92,008		1,65,38,761	
iv. Advances to Suppliers	6,40,53,00,435		4,78,77,41,117	
		6,94,17,58,722		5,11,35,02,894
		6,94,17,58,722		**5,11,35,02,890**
NOTES:				
a) Loans and Advances				
Debts due by Directors or other officers of the Company or from a Private Company in which Director of the Company is a Director/Member:				
1. Private Companies		7,68,95,000		1,020
2. Subsidiary Company		33,04,98,148		2,05,89,041
NOTE - 18				
OTHER CURRENT ASSETS				
i. Security Deposits	11,63,24,746		7,47,99,517	
ii. Prepaid Expenses and Others	19,94,92,486		10,67,79,002	
		31,58,17,233		18,15,78,519
		31,58,17,233		**18,15,78,519**

	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
NOTES - 19				
INCOME FROM OPERATIONS				
a. Sale of Products	28,96,26,69,986		15,41,10,25,381	
b. Sale of Services	3,73,42,43,961		5,28,18,45,858	
c. Other Operating Revenue	2,53,56,146		2,58,39,793	
	32,72,22,70,093	-	20,71,87,11,032	-
Less: Duties & Taxes	(47,64,06,163)	32,24,58,63,930	(44,46,38,148)	20,27,40,72,884
		32,24,58,63,930		**20,27,40,72,884**
NOTES - 20				
OTHER INCOME				
Interest	5,97,42,284		5,15,10,689	
Profit on sale of Fixed Asset	-		7,333	
Miscellaneous Income	3,34,91,601	9,32,33,885	2,54,69,344	7,69,87,366
		9,32,33,885		**7,69,87,366**

NOTE - 21
MATERIAL CONSUMED

Particulars	RAW MATERIAL OPENING STOCK		GOODS PURCHASED		CONSUMPTION		RAW MATERIAL CLOSING STOCK	
	As at 1st April, 2013 `	As at 1st April, 2012 `	For the year ended on 31st March, 2014 `	For the year ended on 31st March, 2013 `	For the year ended on 31st March, 2014 `	For the year ended on 31st March, 2013 `	As at 31st March, 2014 `	As at 31st March, 2013 `
RAW MATERIALS (A)								
Steel	10,29,22,885	1,75,39,896	92,48,96,771	76,72,83,701	98,49,89,711	68,19,00,712	4,28,29,945	10,29,22,885
Aluminium	7,32,116	56,72,065	21,46,94,132	4,52,90,382	20,86,30,564	5,02,30,331	67,95,684	7,32,116
Zinc	55,01,887	38,82,493	8,62,76,795	6,39,61,949	8,85,13,119	6,23,42,555	32,65,563	55,01,887
Other Materials	6,56,640	16,27,891	25,46,495	1,91,31,847	28,43,216	2,01,03,098	3,59,919	6,56,640
Total (A)	**10,98,13,528**	**2,87,22,345**	**1,22,84,14,193**	**89,56,67,879**	**1,28,49,76,609**	**81,45,76,696**	**5,32,51,111**	**10,98,13,528**
STORE, TOOLS AND SPARES (B)								
Stores and Spares	14,71,44,674	7,88,36,846	17,93,39,788	16,33,76,818	19,87,92,404	9,50,68,990	12,76,92,058	14,71,44,674
Total (B)	**14,71,44,674**	**7,88,36,846**	**17,93,39,788**	**16,33,76,818**	**19,87,92,404**	**9,50,68,990**	**12,76,92,058**	**14,71,44,674**
ERECTION MATERIALS (C)								
Erection and Concreting Material	1,05,49,38,222	71,17,96,463	47,21,02,516	2,26,19,31,293	82,14,78,473	1,91,87,89,534	70,55,62,266	1,05,49,38,222
Total (C)	**1,05,49,38,222**	**71,17,96,463**	**47,21,02,516**	**2,26,19,31,293**	**82,14,78,473**	**1,91,87,89,534**	**70,55,62,266**	**1,05,49,38,222**
OTHER MATERIALS (D)								
Project Purchases	-	-	22,59,59,22,357	11,17,26,24,368	22,59,59,22,357	11,17,26,24,368	-	-
Total (D)	**-**	**-**	**22,59,59,22,357**	**11,17,26,24,368**	**22,59,59,22,357**	**11,17,26,24,368**	**-**	**-**
Grand Total	**1,31,18,96,424**	**81,93,55,654**	**24,47,57,78,854**	**14,49,36,00,358**	**24,90,11,69,843**	**14,00,10,59,588**	**88,65,05,435**	**1,31,18,96,424**

NOTE - 21.1
VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED

Particulars	For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
	Value (`)	Percentage (%)	Value (`)	Percentage (%)
Imported	3,97,88,755	0.16%	-	-
INDIGENOUSLY OBTAINED:				
Raw Materials	24,66,26,08,684	99.04%	13,90,59,90,598	100%
Stores, Spare Parts and Components	19,87,92,404	0.80%	9,50,68,990	100%
Total	**24,90,11,69,843**	**100%**	**14,00,10,59,588**	**100%**

	For the Year Ended 31st March, 2014 `		For the Year Ended 31st March, 2013 `	
NOTE - 22				
CHANGES IN INVENTORIES				
OPENING STOCK:				
Finished Goods	31,99,73,322		5,56,78,269	
Semi Finished Goods and Work-in-Progress	11,33,51,487		3,90,49,331	
Scrap Materials	20,32,272		9,52,572	
	43,53,57,081		9,56,80,172	
CLOSING STOCK:				
Finished Goods	24,79,62,628		31,99,73,322	
Semi Finished Goods and Work-in-Progress	6,00,89,389		11,33,51,487	
Scrap Materials	22,43,148		20,32,272	
	31,02,95,165	12,50,61,916	43,53,57,081	(33,96,76,909)
INCREASE (-)/DECREASE (+)		**12,50,61,916**		**(33,96,76,909)**
NOTE - 23				
EMPLOYEE BENEFIT EXPENSES				
a. Salary, Wages and Bonus		65,23,80,636		53,15,52,087
b. Contribution to Providend and Other Funds		2,37,12,607		1,16,67,091
c. Workmen and Staff Welfare Expenses		1,42,74,890		1,17,14,066
d. Directors' Remuneration		2,47,07,761		1,91,93,750
		71,50,75,944		**57,41,26,994**

NOTE - 23.1

As per Accounting standard 15 "Employee benefits", the disclosures as defined in the Accounting standard are given below:

Defined Benefit Plan

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The Present Value of obligations is determined based on actuarial valuation using the Projected Unit Cost Method.

		2013-14	2012-13
1.	**Change in Defined Benefit Obligation:**		
	Defined Benefit Obligation at the beginning of the year	` 2,91,00,594	` 2,68,99,214
	Interest Cost	` 26,19,053	` 21,51,937
	Current Service Cost	` 37,51,610	` 22,42,408
	Benefits Paid	` (61,50,678)	` (36,61,352)
	Actuarial Gain / (Loss) on Obligation	` 97,203	` 14,68,387
	Present Value of obligation as at the end of the year	` 2,94,17,782	` 2,91,00,594
2.	**Change in Fair Value of the Asset**		
	Fair Value of the plan assets at the beginning of the year	` 3,04,25,855	` 2,55,36,969
	Expected returns on plan assets	` 26,62,262	` 26,35,895
	Contributions	` 29,49,415	` 59,14,343
	Benefits paid	` (61,50,678)	` (36,61,352)
	Actuarial Gain / (Loss) on plan assets	` (1,36,034)	NIL
	Fair Value of Plan assets at the end of the year	` 2,97,50,820	` 3,04,25,855

		2014-13	2013-12
3.	**Net Asset / (Liability) recognized in the Balance Sheet**		
	Fair Value of the Plan Assets	` 2,97,50,820	` 3,04,25,855
	Present Value of the obligation as at the end of the year	` 2,94,17,782	` 2,91,00,594
	Amount recognized in Balance Sheet	` 3,33,038	` 13,25,261
4.	**Expenses recognized during the year**		
	(under the head contribution to provident fund and other funds)		
	Current Service Cost	` 37,51,610	` 22,42,408
	Interest Cost	` 26,19,053	` 21,51,937
	Expected Return from Plan Asset	` (26,62,262)	` (26,35,895)
	Net Actuarial Gain / (Loss) recognized in the year	` 2,33,237	` 14,68,387
	Expenses recognized in the statement of Profit and Loss	` 39,41,638	` 32,26,837

	For the Year Ended 31st March, 2014 `		For the Year Ended 31st March, 2013 `	
NOTE - 24				
FINANCE COSTS				
Interest on Term Loan		23,97,18,367		8,51,41,515
Interest on Others		53,60,33,578		37,09,85,128
		77,57,51,945		**45,61,26,643**
NOTE - 25				
DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation for the Period	18,26,90,889		13,68,36,757	
Less: Transfer to Revaluation Reserve	2,09,957		2,09,957	
		18,24,80,932		**13,66,26,800**

	For the Year Ended 31st March, 2014 `		For the Year Ended 31st March, 2013 `	
NOTE - 26				
OTHER EXPENSES				
Processing / Job Charges		1,43,05,30,117		2,24,19,54,231
Freight,Carriage & Transport		49,47,43,513		41,90,12,405
Power & Fuel		4,29,57,938		3,75,74,787
Rent		9,18,46,895		7,91,24,259
Insurance		3,16,03,354		1,08,73,469
Repairs & Renewals:				
Plant & Machinery	47,87,746		12,74,677	
Building	63,09,884		28,33,647	
Others	42,71,221	1,53,68,851	60,87,299	1,01,95,623
Hire Charges		10,38,76,771		7,25,59,982
Traveling & Conveyance		3,44,90,974		3,16,56,084
Auditors Remuneration:				
Audit Fees		25,00,000		20,00,000
Internal Audit Fees		67,500		82,500
Tax Audit		15,000		15,000
Custom Duty		13,97,574		54,62,491
Excise Duty		43,97,729		3,65,40,508
Rates & Taxes		13,23,83,028		18,65,93,853
Communication Expenses		1,10,93,017		1,20,45,256
Bank Commission and Charges		98,84,28,361		80,22,49,400
Miscellaneous Expenses (A)		22,14,35,786		19,68,68,987
Translation Loss		(1,35,95,633)		54,21,366
Loss on Contract Performance		21,86,422		9,12,927
		3,59,57,27,196		4,15,11,43,126
(A) Miscellaneous Expenses				
Legal Charges, Listing & Filing Fees		64,58,338		36,80,410
Sales Promotion & Advertisement Expenses		55,32,914		38,36,772
Testing Charges		1,38,15,567		1,09,96,750
Computer/R&D Charges		11,66,088		15,47,078
Entertainment Expenses		19,51,154		31,39,146
General Charges		1,16,16,459		1,09,06,305
Office Up-Keep		57,26,612		49,92,252
Printing & Stationery		54,63,532		63,63,131
Subscription & Donation		17,29,932		21,91,456
Professional fees & Service Charges		15,16,59,792		12,38,62,870
Motor Car Expenses		3,16,806		2,83,253
Mobilisation Expenses		72,02,870		1,87,39,929
Tender Fees		22,59,187		14,14,554
Others		58,47,122		42,58,310
Rebate - NVVN - Solar		4,44,232		-
Recruitment Expenses		2,45,181		6,56,770
		22,14,35,786		19,68,68,987
NOTE 26.1				
EXPENDITURE IN FOREIGN CURRENCY				
Tour Expenses		65,84,958		55,18,307
Others		10,38,98,490		16,55,97,056
		11,04,83,448		17,11,15,363

	31st March, 2014	31st March, 2013
NOTE - 27		
EARNINGS PER SHARE (EPS)		
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (`)	1,32,74,24,811	92,37,37,588
ii) Weighted Average number of equity shares used as denominator for calculating EPS	3,70,00,000	3,30,21,918
iii) Basic and Diluted Earnings per share (`)	35.88	27.97
iv) Face Value per Equity Share (`)	10.00	10.00

	31st March, 2014 ` in Lacs	31st March, 2013 ` in Lacs
NOTE - 28		
EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	2,638.81	92.94
NOTE - 29		
CONTINGENT LIABILITIES		
i) Guarantees given by Company's Bankers on behalf of the Company.	80,285.17	50,184.99
ii) Claims against the Company not acknowledged as debts:		
a) Sales Tax	1,330.97	1,757.00
b) Service Tax	333.08	30.45
However as per management perception, the above liabilities will not devolve upon the company in future		
NOTE - 30		
SEGMENT REPORTING AS PER AS - 17		
Segment Revenue:		
Project Construction Division	305,297.07	196,383.12
Tower Manufacturing Division	13,233.01	4,553.93
Aluminium Extrusion, Forging & Conductor Division	2,987.36	937.42
Solar Power Division	941.20	866.25
Segment Total	**3,22,458.64**	**202,740.72**
Segment Results:		
Project Construction Division	29,024.63	19,240.62
Tower Manufacturing Division	135.50	54.71
Aluminium Extrusion, Forging & Conductor Division	110.54	54.58
Solar Power Division	554.50	525.04
Segment Total	**29,825.17**	**19,874.95**
Unallocated income over expenses	(1,629.35)	(1,597.15)
Profit Before Interest & Tax	28,195.82	18,277.80
Interest	7,757.52	4,561.26
Provision for Current Year Tax	7,164.05	4,479.16
Profit after Current Year Tax	**13,274.25**	**9,237.38**

Segment Assets & Liabilities	Assets		Liabilities	
	31st March, 2014 ` in Lacs	31st March, 2013 ` in Lacs	31st March, 2014 ` in Lacs	31st March, 2013 ` in Lacs
Project Construction Division	1,81,274.62	1,24,321.47	1,21,357.62	98,282.16
Tower Manufacturing Division	17,512.95	8,877.09	5,837.83	6,198.71
Aluminium Extrusion, Forging & Conductor Division	1,703.15	3,284.53	146.55	81.04
Solar Power Division	7,334.86	7,525.52	0.64	-
Unallocated Assets & Liabilities	19,530.63	12,249.75	35,808.79	477.97
Segment Assets & Liabilities:	**2,26,726.21**	**1,56,258.36**	**1,63,151.43**	**1,05,039.88**

NOTE - 31

RELATED PARTY DISCLOSURE AS PER AS - 18

(Amt ` in Lacs)

Name	Relation	Particulars	Transaction During the year	Balance as on 31st March, 2014
EMC Hardware Ltd.	100% Subsidiary	Investment Advance	NIL 0.14	15.00 2.88
EMC Tower Ltd.	100% Subsidiary	Investment Advance	95.00 9.54	100.00 7.11
EMC Solar Ltd.	100% Subsidiary	Investment Advance	NIL 0.17	5.00 (2.32)
EMC Forging Ltd.	100% Subsidiary	Investment Advance	NIL 0.24	5.00 (2.19)
EMC Infrastructure Ltd.	100% Subsidiary	Investment Advance	NIL 0.17	5.00 (2.33)
EMC Logistic Ltd.	100% Subsidiary	Investment Advance	NIL 0.17	5.00 (2.33)
EMC Overseas Ltd.	100% Subsidiary	Investment Advance	- 3.24	150.00 (126.15)
EMC Academy Ltd.	100% Subsidiary	Investment Advance	NIL 24.34	5.00 70.74
Advanced Steel & Crane Inc.	100% Subsidiary	Investment	-	1,105.85
Technolines S.R.L.	70% Subsidiary	Investment Advance	- 2,950.27	70.19 3,040.54
EMC West Asia JLT	100% Subsidiary	Investment Advance	219.75 81.33	219.75 81.33
BCPL - EMC Joint Venture		Investment Sales Advance	2.45 1,586.37 1.57	2.45 460.51 1.57
EMC - BCPL Joint Venture		Investment Advance	- 0.02	- 0.02
Quatro Rail Tech Solutions Pvt. Ltd.	60% Subsidiary	Investment Professional Fees Interest Received Advance	60.00 (73.03) 1.71 100.00	60.00 (13.43) - 100.00
EMC East Asia Ltd	100% Subsidiary	Investment Advance	0.08 0.52	0.08 0.52
Technolines Singapore PTE Ltd.	100% Subsidiary	Investment Advance	0.49 0.27	0.49 0.27
Mr. Manoj Toshniwal	Director	Salary	98.65	NIL
Mr. Ramesh Chandra Bardia	Director	Salary	94.10	NIL

*** Figures in Brackets indicate amounts payable to related parties.*

	As at 31st March, 2014 ` in Lacs	As at 31st March, 2013 ` in Lacs
NOTE - 32		
FINANCIAL HEDGING INSTRUMENTS		
i) For hedging Currency Related Risks		
i) Forward Contracts - Outstanding Nominal Value	2,574.46	4,492.55
Figures for the previous year have been re-arranged and re-grouped wherever necessary.		

Note-33: Significant Accounting Policies forming part of Company's Balance Sheet and Statement of Profit & Loss as at and for the year ended 31st March, 2014.

A) Significant Accounting Policies

i) Basis of Preparation

The financial statements are prepared under the Historical cost convention method, using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles in India & the requirements of the Companies Act,1956, including the Notified Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon transfer of title and rendering of services to the customers.

iii) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT/VAT), taxes, borrowing costs directly attributable to acqusition, incidental expenses and erection / commissioning etc., upto the date, the asset is ready for its intended use.

iv) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of wherever the carrying amount of an asset exceeds it's recoverable amount which represents the impairment based on external/internal factor. An impairment loss is recognised greater of the net selling price and value in use of the assets. The estimated cash flows considerd for determining the value in use, are discounted to the present value at weighted average cost of capital.

v) Foreign Currency Transactions

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

vi) Depreciation

a) Depreciation on all Fixed Assets are calculated under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

b) Depreciation is calculated on prorata basis on additions and deletions of Fixed Assets during the year except for assets costing ` 5000/- or less on which 100% Depreciation is provided.

c) Depreciation on individual items of plant and machinery costing ` 5000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and

machinery in accordance with amendments to Schedule XIV to the Companies Act, 1956 vide Notification No. GSR No. 101(E) dated 01.03.1995.

d) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

e) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 10 years, as estimated at the time of capitalisation.

vii) Investments

Long term Investments are stated at Cost, short term investments are valued at cost or market price which ever is less

viii) Inventories

Inventories are valued as under :-

a) Raw materials, Stores spares, loose tools and Erection materials are valued at cost.

b) Cost of Semi Finished Goods and Finished Goods have been valued on Weighted Average basis.

c) Finished goods are stated at lower of Cost or Net Realisable Value.

b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

ix) Research & Development

Research and development expenditure of revenue nature are charged to Statement of Profit & Loss.

x) Employee Benefits

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

xi) Earning per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xii) Excise Duty and Custom Duty

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

Excise Duty pertaining to Sales is shown as a deduction from Revenue and is included in the amount disclosed under Duties & Taxes (Note-19)

Excise Duty provided on Finished Goods is shown as a separate line item by the name 'Excise Duty' forming part of Note-26 - Other Expenses

xiii) Borrowing Costs

Borrowing Costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xiv) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

xv) Segment Reporting

a) Identification of segments

The company has identified its business segments as the primary segments. The company's businesses are organized and managed separately according to the nature of products/ services, with each segment representing a strategic business unit that offers different product / services and serves different markets.

b) Allocation of Common Costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head " Unallocated".

xvi) Sales

Resulting from the nature of business of the Company, bills relating to price variation, excess supplies and extra works etc. are raised by the Company on the basis of the terms of the contract and are accounted for in the books only after the same has been accepted by the customers during the course or at the end of the contract. As such only those bills which are acceptable by the customers are accounted for in the books of accounts.

xvii) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

As per our Report of even date attached

For M/s SRB & Associates
Chartered Accountants
(Firm Regn. No. 310009E)

For and on behalf of the Board

Sanjeet Patra
(Partner)
Membership No. 056121
Kolkata,The 31st day of May, 2014.

Manoj Toshniwal
Managing Director

Ramesh Chandra Bardia
Jt. Managing Director

Chandra Sekhar Adhikary
Company Secretary

Abbreviations

ABC – Aerial Bundled Conductors

AC – Alternate Current

AT&C – Aggregate Technical & Commercial

BU – Billion Units

CAGR – Compound Annual Growth Rate

CERC – Central Electricity Regulatory Commission

cKm – Circuit Kilometer

DC – Direct Current

Discoms – Distribution Companies

DTC – Distribution Transformation Capacity

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

EHV – Extra High Voltage

EPC – Engineering, Procurement and Construction

EPS – Earnings Per Share

ESS – Employee Self Service

FDI – Foreign Direct Investment

FII - Foreign Institutional Investors

FY – Financial Year

GDP – Gross Domestic Product

GOI – Government of India

GCC – Gulf Cooperation Council

GIS – Gas Insulated Substation

GW – Gigawatt

HVDC – High Voltage Direct Current

HVDS - High Voltage Distribution System

HT – High Tension

IEA – International Energy Agency

IMF – International Monetary Fund

IPP- Independent Power Producer

KMRCL – Kolkata Metro Rail Corporation Ltd.

kV – Kilo Volt

KVA – Kilo Volt Ampere

KW – Kilo Watt

kWh – Kilowatt Hour

LBDS – Load Building Distribution System

LCSS – Load Control Sub Station

LT – Low Tension

MENA – Middle East and North Africa

MoU – Memorandum of Understanding

MSEDCL – Maharashtra State Electricity Distribution Company Ltd.

MT – Metric Ton

MVA – Mega Volt Ampere

OHE – Over Head Equipment

PAT – Profit After Tax

PBIT – Profit Before Interest and Taxes

PFC – Power Finance Corporation Ltd.

PGCIL – Power Grid Corporation of India Ltd.

PPP – Public Private Partnership

PV – Photovoltaic

R-APDRP – Restructured Accelerated Power Development and Reforms Programme

RKM – Route Kilometer

ROE – Return on Equity

REC – Rural Electrification Corporation Ltd.

S/S – Substation

SEB – State Electricity Board

T&D – Transmission & Distribution

T/L – Transmission Line

TKM – Track Kilometer

TPWS - Train Protection & Warning System

TWh – Terawatt Hour

UMPP – Ultra Mega Power Project

WBSEDCL - West Bengal State Electricity Distribution Company Limited

WBSETCL - West Bengal State Electricity Transmission Company Limited

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