

# 48 वीं वार्षिक रिपोर्ट th Annual Report 2014-15



इका **EC**

इलेक्ट्रानिक्स कारपोरेशन आफ इंडिया लिमिटेड  
Electronics Corporation of India Limited

हैदराबाद / Hyderabad - 500062



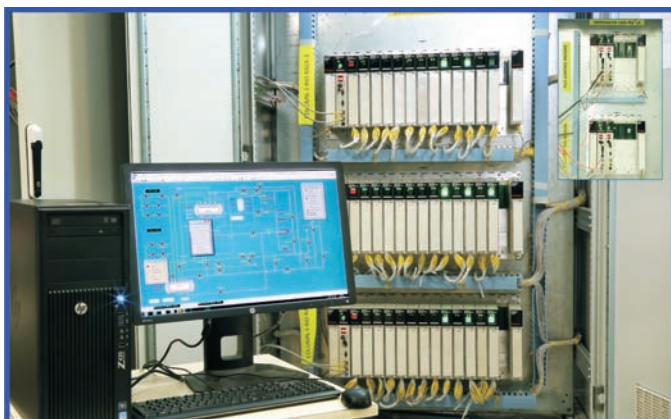
Shri P. Sudhakar, C&MD, ECIL handed over a replica of critical homeland security system – Radiological Detection Equipment (RDE) to Shri Neeraj Bansal, Chairman Incharge, Jawaharlal Nehru Port Trust (JNPT), Mumbai in the presence of Dr. R.K. Sinha, Chairman, AEC & Secretary, DAE



Dr. R. Chidambaram, Principal Scientific Advisor to Govt. of India releasing the commemorative issue of EC News on Dr. AS Rao during his birth centenary celebrations held at ECIL premises



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Secure Programmable Logic Controller delivered to  
Satish Dhawan Space Centre, Sriharikota



Antenna Platform Unit for  
Light Combat Aircraft Programme



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**Electronics Corporation of India Limited**

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## Vision

“To contribute to the nation in achieving self reliance in Strategic Electronics”

## Mission

“To strengthen its status as a valued technology provider to the nation particularly in the areas of Strategic Electronics meeting the requirements of Atomic Energy, Defence, Space, Civil Aviation, Security and such other sectors of strategic, economic and social importance”



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## *Remembering Dr. APJ Abdul Kalam*



**Late Dr. APJ Abdul Kalam** was a great visionary and an inspiration to every Indian. He was a personification of high technological acumen, ethical value system and staunch nationalism.

We at ECIL are greatly indebted to Dr Kalam for his outstanding contributions in laying strong foundation for the development of indigenous technologies in Strategic electronics as the member of our Board of Directors between 1986 and 1992.

# Board of Directors



**Shri P Sudhakar**  
Chairman & Managing Director



**Shri Kishor Rungta**  
Director (Finance)



**Shri VSB Babu**  
Director (Personnel)



**Shri R A Rajeev, IAS**  
Jt. Secretary (Finance),  
Department of Atomic Energy  
From 20.11.2014



**Smt. Nisha Singh, IAS**  
Jt. Secretary  
Branch Secretariat, DAE, New Delhi  
From 28.11.2014



**Lt Gen. Nitin Kumar Kohli**  
AVSM, VSM  
Signal Officer-in-Chief  
Directorate General of Signals



**Shri K Jagannath, OS**  
Executive Director (E&I)  
NPCIL



**Shri S S Sundaram**  
Distinguished Scientist,  
Former Director General (ECS),  
DRDO



**Shri D Chakrapani, IAS (Retd.)**  
Director-CIPS  
Administrative Staff College of India  
Upto (10.05.2015)



**Shri Jai Bhagwan Sharma**  
Company Secretary



## Key Executives (As on date of AGM)

### Corporate Office

**SHRI P SUDHAKAR**

Chairman & Managing Director

**SHRI KISHOR RUNGTA**

Director (Finance)

**SHRI V S B BABU**

Director (Personnel)

**SHRI M SURYA PRAKASH, IFS**

Chief Vigilance Officer

**SHRI D KAMESWARA RAO**

Head (Systems & Quality Assurance Group)

**SHRI Y V SUBBA RAO**

Head (Corporate Business Development Group)

**SHRI M R K NAIDU**

Head (Corporate R & D)

**SHRI P SURYAKANTH**

Head (Corporate Planning & Performance Monitoring)

**SHRI JAI BHAGWAN SHARMA**

Company Secretary

### Aerospace Systems Group

**SHRI Ch V R S GOPALAKRISHNA**

Executive Director (Aerospace Systems Group, Information Technology & Telecom Group & EMI/EMC Test Facility)

**SHRI M P RAMESH KUMAR**

Head (Antenna Products & Satcom Division)

### Defence Systems Group

**BRIGADIER A UMAR FAROOK, VSM (Retd.)**

General Manager (Defence Systems Group)

**SHRI G V REDDY**

Head (Special Products Division)

### Communication Systems Group

**SHRI T V S KISHORE KUMAR**

General Manager (Communication Systems Group)

### Control Systems Group

**SHRI N SYAMASUNDAR**

Head (Control & Automation Division)

**SHRI T BALASWAMY**

Head (Radiation Detectors & Instrumentation Division)

**SHRI P V S VARA PRASAD**

Head (Control & Instrumentation Division)

### Instruments & Systems Group

**SHRI B MAHAVEERA**

General Manager (Instruments Group & Control Systems Group)

**SHRI R MAHENDRAN**

Head (Electronic Manufacturing & Services Division)

### Information Technology & Telecom Group

**SHRI K S SHESHADRI**

Head (Business Systems Division & Information Technology Services Division)

**SHRI G K SATYANARAYANA**

Head (Telecommunication Division)

### Finance & Accounts Group

**SHRI Y NAGESWARA RAO**

Head ( Finance & Accounts Group)

## Others

**SHRI M C VENKATASUBBAIAH**  
Head (Components Division)

**SHRI A V RAJU**  
Head (Customer Support Division)

**SHRI L VASUDEVA MURTHY**  
Head (Computer Education Division)

**SHRI DILIP SAHA**  
Head, (National Population Register Project)

## Zonal Offices

**SHRI SANKAR DEY**  
General Manager (North), New Delhi

**SHRI D R VENKATASUBBU**  
Zonal Manager (South), Bangalore

**SHRI A K TIWARI**  
Zonal Manager (West), Mumbai

**SHRI D DEBNATH**  
Dy. Zonal Manager (East), Kolkata

## AUDITORS

**M/s Umamaheswara Rao & Co.,**  
Chartered Accountants

## BANKERS

STATE BANK OF INDIA

STATE BANK OF HYDERABAD

BANK OF MAHARASHTRA

ANDHRA BANK

BANK OF BAHRAIN & KUWAIT BSC

ICICI BANK

PUNJAB NATIONAL BANK

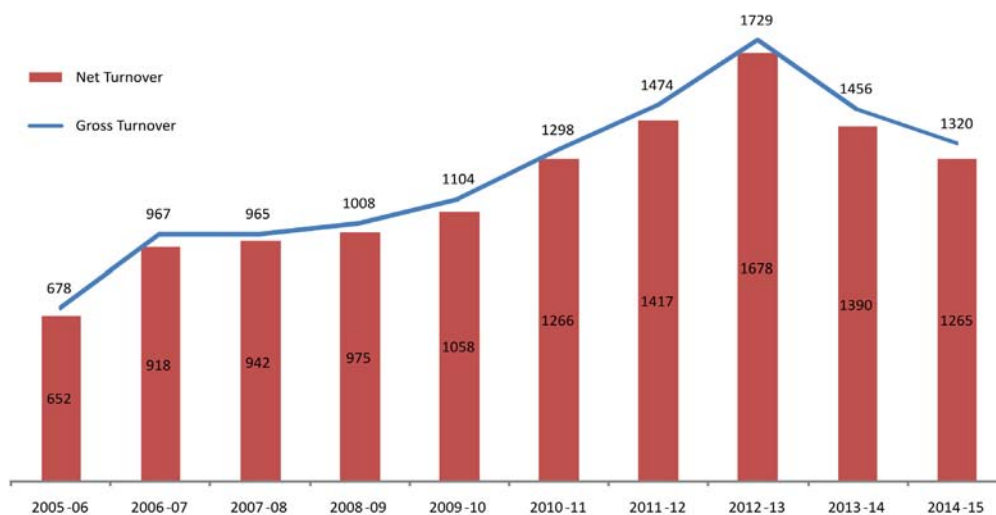
## Financial Performance at a glance-ECIL

(₹ in crores)

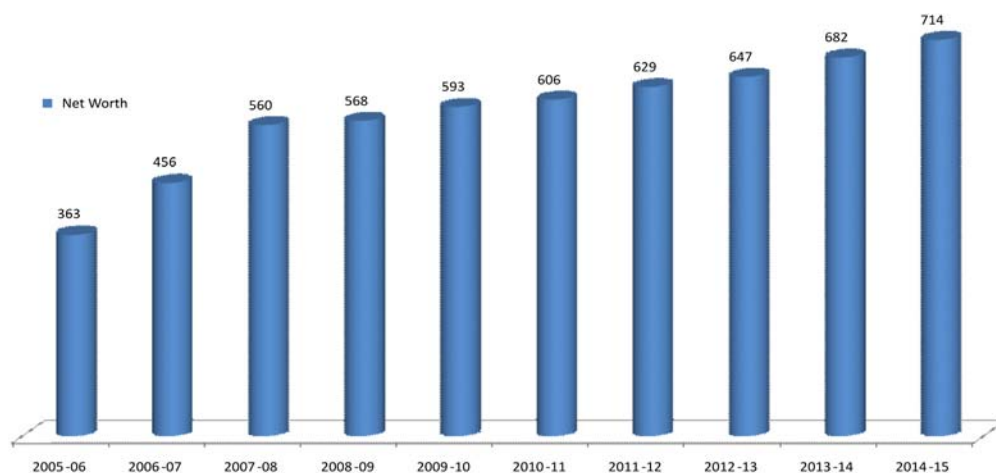
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Gross Turnover	678	967	965	1008	1104	1298	1474	1729	1456	1320
Net Turnover	652	918	942	975	1058	1266	1417	1678	1390	1265
Closing Order Book	443	652	1045	1041	1490	1148	2425	1756	1932	1719
Material Consumed	389	474	432	604	713	728	911	1081	754	706
Employee Remuneration	175	193	242	318	296	382	357	365	344	340
Depreciation	8	12	13	10	8	9	10	18	19	26
Profit Before Tax	52	193	201	19	54	22	55	31	68	66
Provision for Tax	10	65	67	6	12	(1)	18	5	21	16
Profit after Tax	42	128	134	13	42	23	37	26	47	50
Earnings per Share (in Rupees)	284	821	821	83	257	140	224	158	290	307
Equity Capital	155	155	163	163	163	163	163	163	163	163
Reserves & Surplus	208	301	397	405	430	443	469	486	522	550
Gross Block	198	199	204	232	237	242	259	284	318	311
Inventory	77	69	69	127	195	157	198	162	165	171
Debtors	389	463	498	641	846	809	1011	1159	1177	1207
Working Capital	280	372	633	685	660	-	-	-	-	-
Working Capital (as per Revised Schedule VI)	-	-	-	-	-	430	343	233	412	379
Net Worth	363	456	560	568	593	606	629	647	682	714
PRV	653	912	936	994	1114	1226	1442	1678	1374	1270
Value Addition	264	438	504	390	401	498	531	597	620	564



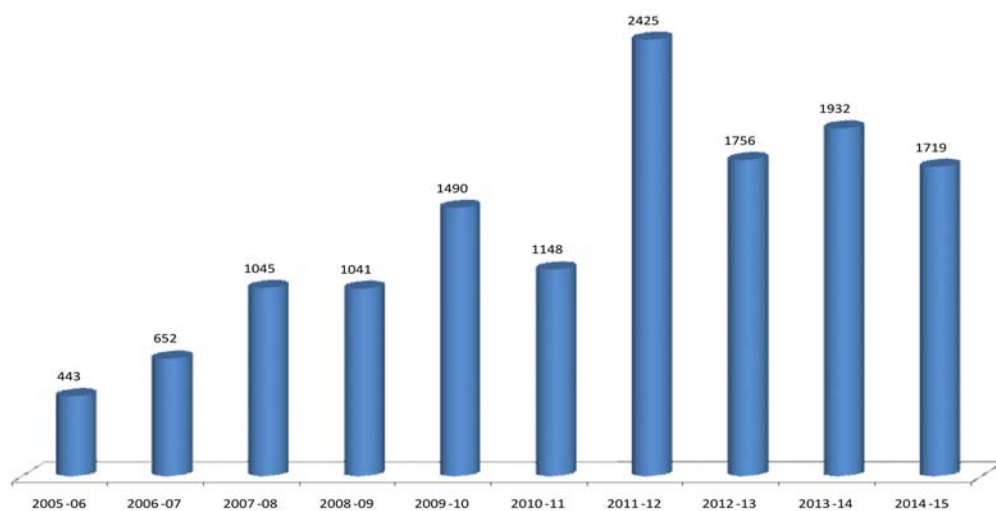
### Gross and Net Turnover



### Net Worth



### Closing Order Book





## Chairman's Statement

Dear Shareholders,

I take pleasure in presenting the forty eighth annual report and the audited statement of accounts of the company for the year ended 31st March 2015. Like the preceding year, 2014-15 has also been challenging and characterised by expenditure controls and consequent deferring of procurement decisions. Your company's turnover slid from ₹ 1456 crores in 2013-14 to ₹ 1320 crores. However, due to the sustained efforts at improving productivity and cost control, the company has been able to maintain the profit at the last year's level despite a decrease in turnover.

### Performance during 2014-15

The company recorded a turnover of ₹ 1320 crores with IT & e-Governance contribution 34% to the turnover with a large part coming from Electronic Voting Machines for State Election Commission. The defence sector contributed 25% to the turnover with radios, and C<sup>4</sup>I systems being the mainstay. The nuclear sector contributed 20% mainly from the supplies of

Nuclear Instrumentation for 700MW power plants and Radiation Detection Equipment. Security systems and Aerospace contributed 9% and 2% respectively to the turnover with the balance 10% coming from other areas.

Electronics industry is characterised by short product life cycles and a high rate of innovation. Investment in R&D is crucial for the long term sustainability of an organisation in this industry. Your company makes significant investments in R&D every year to come out with new products, add new features and also improve production processes to reduce costs so as to be in tune with the changing market dynamics. The new products introduced includes a new Area Gamma Monitor, custom-built LVDTs, security gadgets like Road Blockers, Tyre Killers and crash-rated Shifting Gates in addition to X-band Polarimetric Doppler Weather Radar System.

### Outlook for 2015-16

Your company has a target of ₹ 1620 crores net turnover with a gross operating margin of ₹ 220 crores for the year 2015-16 in the MoU entered

with the Department of Atomic Energy. The company's efforts on order booking in the last few months have borne fruit with ₹ 568 crore worth orders flowing in during the five months of this financial year. There are quite a few new opportunities on the horizon which, if converted into orders, will not only help the company to meet its target this year but would leave a significant order book for the coming years. The major opportunities being pursued include Universal Electronic Fuzes, C<sup>4</sup>I systems for missiles, Radios, Electronic Warfare Systems, Integrated Security Systems, Electronic Voting Machines and Voter Verifiable Paper Audit Trail printers which have the potential of adding more than ₹ 1000 crores to the order book.

## Challenges

As stated in the last AGM, the most significant challenge being faced by the company is the rapid depletion in manpower at all levels due to normal attrition and the mismatch between the skill sets of the existing manpower vis-à-vis the skill sets required. The age of the employees is a crucial factor to be considered in redeployment and retraining of the available manpower. The company is, therefore, making significant investment in training to improve the technical, as well as the managerial skills, to address this issue. Lateral recruitments are also being undertaken, to fill the gaps. The company is also restructuring operations to get the best out of the available resources.

Yet another significant challenge before the company relates to upgrading the infrastructure

of the company so that it is commensurate with the needs of the future. To this end, the company has entered into an agreement with BARC last year to facilitate the establishment of new facilities which would enable the company to produce products based on the technologies being developed at BARC and other national laboratories. The agreement is for the XII and XIII Five Year Plan period and significant progress has been made in its implementation in the last one year.

## Corporate Governance

Your company takes pride in constantly adopting and maintaining the highest standards of values and principles. It believes that all operations must be spearheaded toward enhancing stakeholder value. The policies and procedures of the company are constantly reviewed and updated to ensure transparency in all aspects of the company's working. Sustainability in ECIL is the continuing commitment to behave ethically and contribute towards economic development while improving the quality of life of all stakeholders.

In conclusion, I would like to inform you that the immediate outlook for the company has significantly improved in the recent past, especially in terms of the opportunities on the new business front. The steps taken by the management to address the various challenges, especially on the infrastructure and human resources fronts have started yielding results. While we still have a long way to go we can, however, look towards the future with much more confidence today.

Thank You



**P Sudhakar**

Chairman & Managing Director





Shri Ravi Shankar Prasad, Hon'ble Minister for Communication & Information Technology, Govt. of India handing over the Transfer of Technology documents of the systems developed by CDAC to Shri P. Sudhakar, C&MD, ECIL.



Handing over of First of production of Akash Weapon System to Chief of Army Gen. Dalbir Singh, PVSM, UYSM, AVSM, VSM, ADC  
Seen in the photo are C&MDs of ECIL, BEL and BDL



C&MD, ECIL exchanging MoU documents with Dr. Sekhar Basu, Director, BARC for establishing Advance Rear End Development Facilities for Electronics & Instrumentation



Dr. R K Sinha Chairman AEC and Secretary DAE inspecting the Missile Checkout System for Akash Program



## Directors' Report

To  
The Shareholders of  
Electronics Corporation of India Limited

Gentlemen

Your Directors have immense pleasure in presenting the Forty Eighth Annual Report of your Company for the year ended 31st March, 2015.

### Performance Highlights:

(₹ in crores)

	Financial Year	
	2014-15	2013-14
a) Turnover (Gross)	1320	1456
b) Production at realisable value	1270	1374
c) Profit before depreciation, interest, tax and prior period items	142	170
d) Prior period expenses	14	37
e) Profit before depreciation, finance costs and tax	128	133
f) Finance costs	36	46
g) Depreciation	26	19
h) Profit before tax	66	68
i) Provision for tax	15	21
j) Profit after tax	50	47
k) Net worth	714	682
l) Capital employed	510	563
m) Value added	564	620

### Financial Highlights :

During the year, the Company recorded a gross turnover of ₹ 1320 cr compared to ₹ 1456 cr. achieved in the previous year. The decline in the Gross turnover has been mainly due to non availability of executable order. Company has achieved the Profit before tax of ₹ 66 cr. compared to ₹ 68 cr. achieved in the previous year. However, there is increase of 6% in profit after tax (PAT of ₹ 50.18 crores) over the previous year (previous year ₹ 47.39 crores). The improved profitability has been achieved through efficiency in manufacturing operations alongwith substantial savings in financial costs.

### Share Capital & Unsecured Loans:

The authorised share capital of the Company has remained unchanged at ₹ 200 crore. The called up and paid up Share capital as on 31.03.2015 stood at ₹ 163.37 Crores. No loans were taken from the Government during the year.

### Dividend:

Your Directors are pleased to recommend a dividend @ ₹ 61.43 per share of ₹ 1000/- amounting to ₹ 10.04 crores for the year 2014-15.



## Significant Achievements:

### Major Orders Executed

During the year 2014-15, the nuclear segment posted a turnover of ₹ 258 crore which is 20% of the company's net turnover. The major contributions have come from Nuclear Instrumentation, Radiation Detection Equipment, Switched Mode Power Supplies, Camera electronics for Major Atmospheric Cherenkov Experiment (MACE) telescope and Control & Instrumentation equipment for Prototype Fast Breeder Reactor.

The defence business of the company spans integrated communication system, military radios, electronic warfare systems, C<sup>4</sup>I systems for missiles and universal electronic fuzes for artillery. In the year 2014-15, this sector contributed ₹ 320 crores forming 25% of the company's turnover with major contributions from M7 radios and maintenance of electronic warfare and missile systems.

The major products of the company catering to the aerospace segments include ship-borne terminals, airborne satellite communication units, Cockpit Voice Recorders internal sensors like gyros, synchros and actuators. This business segment did business worth ₹ 101 crores during the year forming 8% of the net turnover of the company.

The homeland security business added ₹ 118 crores to the company's turnover in 2014-15. The major contributors have been the integrated video surveillance systems, mobile gamma ray container scanning system, access control systems, attendance recording systems and jamming equipments.

The e-Governance segment generated ₹ 433 crores which forms 34% of the company's turnover in 2014-15 with the multi post multi vote Electronic Voting Machines (EVM) contributing a major share. Your company has made a lot of progress in implementing the National Population Register and Socio-Economic Caste Census projects. The outlook for the segment continues

to be bright due to the projected large requirement of EVMs and VVPAT (Voter Verifiable Print Audit Trail).

### New Products Introduced:

The new products introduced during the year cover the major sectors in which the company operates. Some of the new products introduced during the year include Area Gamma Monitor with TFT screen, X-band Polarimetric Doppler Weather Radar System for India Meteorological Department, a manufacturing system to weld two metals with different melting points using electromagnetic techniques, long stroke length Linear Variable Differential Transformer (LVDT), security gadgets like Road Blockers, Tyre Killers and crash-rated Shifting Gates. Details of new products introduced during the year are part of the annexure attached to this report.

### MoU

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Department of Atomic Energy, Government of India. The performance of your company for the year 2013-14 has been rated 'VERY GOOD'. The MoU self-evaluation report for 2014-15 has been submitted to the Department of Public Enterprises and the rating is under finalization by the Government.

### Order Book Position

Your company had an opening order book position of ₹ 1719 crores as on 1st April, 2015 out of which ₹ 1012 crores are executable during the year 2015-16. The Company has booked the total orders of ₹ 1290.79 cr. during the year.

### Research and Development

Research and Development is crucial to the survival of an electronics organisation due to its fast changing nature, continuous technology changes and competition. ECIL has always accorded a high priority for R&D with focus on innovation and continual improvement in products and processes. While each strategic business unit carries out development activities in its areas of interest, the Corporate R&D unit

coordinates with all the SBUs for undertaking development activities which involve more than one SBU.

Your company also collaborates closely with several national laboratories and premier engineering institutions and converts the technologies developed by them into commercial products. Your company also enlists their support in developing new products as well as enhancements to the existing products to meet the changing customer requirements. The new products and enhancements introduced during the year are provided in the Annexure to this report.

### Quality

All the strategic business units of your company are certified for ISO 9001 Quality Management System. Your company is also certified for Integrated Safety, Health and Environment (SHE) management system. The calibration and measurement laboratory of your company has received accreditation from NABL. The software activities of your company are certified to CMMi Level 3.

ERP Implementation with the SAP business suite is in progress across the three business units comprising the nuclear vertical and one unit in the defence vertical apart from the Finance and Human Resource areas.

### New Facilities:

The company has established manufacturing facility for production of Smart Card Readers (PRAMANIKA). It has established disposal/destruction of vintage EVMs. The company has commissioned a new detector facility based on BF3.

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

The company's initiatives in sustainable development led to a reduction of consumption of water and power.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure - 'A' to this report.

### Particulars of Employees:

Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, as amended, none of the employees of the Company were in receipt of remuneration in excess of limits prescribed under the said rules.

### Extract of Annual Return:

Extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure 'B' to this Report.

### Management Discussion and Analysis

The Management Discussion and Analysis Report required under the guidelines issued by the Department of Public Enterprises, Government of India on Corporate Governance for Central Public Sector Enterprises (CPSEs) is annexed as Annexure 'H' to this report.

### Human Resources

Your company considers its human resource as its most vital asset and has been making significant investments in its training and skill development of the organization. The performance has been improving year after year due to investment in enhancement of knowledge through training and skill development. Your company believes that, in the current dynamic scenario, the assessment of human resource requirement and the skill sets to meet the emerging business requirements should be an on-going process. Accordingly, the management continuously monitors the situation and puts in place appropriate recruitment and training policies to address the depletion on account of superannuation as well as the need for new skill sets.

During the year total of ten persons have been appointed (including one CVO and four fire staff officials on deputation).

A total of 354 (including three fire staff on deputation) employees separated from the company during the year.

Your company employed 2863 persons, including the two Directors and one C&MD. It also includes seven fire staff on deputation as on 31-3-2015. Your company has been earnestly implementing the Government directives regarding reservations. The group-wise details of SC / ST employees in the company as on 31 March 2015 are as under:

Category	Group A	Group B	Group C	Group D
Total employees	1205	661	732	262
Scheduled Castes	204 (16.92%)	88 (13.31)	113 (15.43%)	65 (24.80%)
Scheduled Tribes	68 (5.64%)	54 (8.16%)	65 (8.87%)	08 (3.05%)

During the year 2014-15 Corporate Learning and Development Center has continued its emphasis on developing the technical, functional, managerial and leadership competencies. For this purpose it has organized 14 in-house training programmes/seminars (08 Technical & 06 non technical) on various technical, functional and management topics of current interest by imminent faculty. In all 1287 training man-days have been achieved through internal training which resulted an expenditure of ₹ 27,12,662/-.

During the year, Corporate Learning and Development Center has proposed nominations of 104 employees for participating in the training programmes organized by various reputed training organizations on Technology and Management Development themes resulting in 265 man days of training which resulted an expenditure of ₹ 6,14,795/-.

Employee relations continued to be smooth and harmonious across the company. Regular interactions took place among the management, executives and the workmen through the various forums such as the Corporate Management Committee at the apex level and the Division Production Committees.

Various welfare programmes were organized for the benefit of employees and their families including programmes addressing specific needs of sections of employees, such as women. Various cultural programmes and sports meets have been organized for the recreation of the employees and their families.

### Workers' Participation in Management:

The participation of workmen and officers' representatives in the joint forums is as given below:

- Participation in Sectional/Divisional Production Committee meetings in which the performance of the Division, working plans, targets set for production, sales & order booking and the present position would be reviewed every month.
- Participation of President & General Secretary of ECIL Staff and Workers' Union and President and Secretary of ECOA in Corporate Management Committee(CMC) as special invitees. CMC is a high level policy making body at Corporate level chaired by C&MD and consists of Functional Directors, Executive Directors, Heads of Groups. The Committee meets regularly and deliberates on the major policy issues including performance of the Company.

## Employee Relations Situation:

The Industrial situation was normal during the year 2014-15 and there has been no loss of man days during the year. The Employees relation situation has been cordial during the year.

## Implementation of Persons with Disabilities Act, 1995:

During the year, the Company has given the advertisement to fill up the back-log of seven vacancies in Executive Grade-II. A written test was conducted in four metro cities of the country and necessary amenities e.g. wheel chair etc. have been provided to the required candidates at all the test Centres. The offer of Appointments to all the seven candidates will be issued shortly after verification of their disability certificate.

## Implementation of RTI Act:

The Company has received 111 RTI requests for information during the year 2014-15 in addition to the 15 requests carried forward from the previous year. Information was provided against 66 requests, 29 applications were returned due to non conformity and the balance 31 were pending for disposal as on 31st March, 2015.

## Implementation of Official Language Policy:

In consonance with the provisions of Official Languages Act, 1963 and Official Language Rules, 1976, your Company is committed and taking continuous initiatives to promote the implementation of Hindi as Official Language. During the year, the provisions of the Official Language policy have been implemented in every area. Four workshops on "Functional Hindi & Unicode system and Technical writing" have been conducted to impart training to those having a working knowledge of Hindi. Electronic Voting Machine (EVM) manual for State Election Commission (SEC), Madhya Pradesh and SEC, Chhattishgarh; 'Pramanika User Manual' for National Population Register (NPR) have been published in Hindi. 'ECIL Gaurav' bi-annual Hindi magazine is being published regularly.

The documents placed before committees of Parliament and various notes submitted to the Government have been prepared in bilingual. The company has been awarded 'Rajbhasha Shield (1st Prize)' by the Town Official Language Implementation Committee (TOLIC-PSUs), Hyderabad- Secunderabad for outstanding implementation of Official Language policy.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

- No of complaints received: Nil
- No of complaints disposed off: Nil

## Joint Venture:

The JV Company has achieved a turnover (provisional) of ₹ 97 crore (un-audited) against a target of ₹ 95 crore. The turnover consists mainly of ₹ 40 crore from sale of X-Ray Baggage Inspection Systems (XBIS) and Spares and ₹ 57 crore towards servicing and other income including port civil work. The profit after depreciation & before tax of the Company for the year is ₹ 13.80 crore (provisional/ unaudited), compared to ₹ 10.61 crore for the previous year. The JV Company is targeting for current financial year a growth of 10% over the previous year.

## Corporate Governance:

The Department of Public Enterprises has laid down the Guidelines of Corporate Governance for CPSEs. The Department of Atomic Energy



(DAE), the Administrative Ministry of ECIL asked to comply with the instructions.

The Board Members and senior management have reaffirmed the compliance with the Code of conduct. A report on Corporate Governance is given as Annexure 'C'.

The Company has obtained a Certificate from Shri N.V.S.S. SURYANARAYANA RAO, Practicing Company Secretary regarding compliance of conditions of Corporate

Governance as indicated in the DPE Guidelines. The Compliance certificate is annexed to this report as annexure 'D'

### Sustainability Report:

The DPE guidelines on Sustainable Development for CPSEs require CPSEs to disclose their Sustainable Development efforts in a 'Stand Alone Report' or as a separate chapter in the Annual Report. Pursuant to this requirement, the following activities have been undertaken during the year 2014-15:

S. No.	Sustainability Project undertaken by the Company	Achievement
1.	Energy conservation	ECIL has replaced 150 Nos of HPMV based street light fittings with LED based Street light fittings.
2.	Second effluent treatment plant (ETP)	Design, drawings and civil works for the second ETP have been completed. The installation of equipments and its commissioning work is in progress. Expected to be operational shortly.

### Statutory Auditors:

The Statutory auditors of your Company have been appointed by the Comptroller and Auditor General of India. M/s. Umamaheswara Rao & Co., Chartered Accountants have been appointed as statutory auditors of the company for the year 2014-15. The company's responses to the statutory auditors' qualifications/reservations on the accounts of the company for the year ended 31.3.2015 are furnished at Annexure 'E' to this report.

### Comments of the Comptroller and Auditor General of India

The Annual Accounts for the year ended 31st March, 2015 were reviewed by Comptroller and Auditor General (C&AG) of India. There are nil comments from the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the Accounts of your Company for the year 2014-15 as given in Annexure 'F' to this report.

### Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the cost records maintained by the Company in respect of its manufacturing activities are required to be audited by the Cost Auditor. Your Directors had, on the recommendation of the Audit Committee, appointed M/s Nageswara Rao & Co., Cost Accountants, Secunderabad as Cost Auditors for the Financial Year 2014-15. The due date for filing Cost Audit Reports for the FY 2014-15 with the Cost Audit Branch of MCA is 27th September 2015 and the same will be filed within the stipulated time.

### Vigilance :

The Vigilance Department has an independent Chief Vigilance Officer supported by Group Vigilance Officers in each of the SBUs. While the focus of vigilance department is preventive vigilance with respect to procurement processes, they also conduct CTE like inspections, investigate issues referred to them and provide suitable suggestions for improvement of the systems.

During the year gone by, the vigilance department held structured review meetings with the CVO every quarter which have yielded several benefits. Implementation of e-procurement and ERP continued to be the thrust areas.

The Vigilance Department received twelve complaints during the year of which three have been disposed off and inquiries are in progress in the others. In addition, two complaints referred by CVC as well as DAE are being enquired into.

### Related Party Transactions:

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, if required. Members may refer to the notes to the accounts for details of related party transactions.

The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

### Changes in the Board of Directors:

The following changes took place in the Directorship of the Company:

Shri K A P Sinha, Joint Secretary, (Secretariat Branch), DAE ceased to be Director with effect from 16th September, 2014

The Directors would like to place on record their appreciation for the services rendered by him during his tenure.

Shri R A Rajeev, IAS, Joint Secretary (F), DAE has been appointed as a Director with effect from 20th November, 2014

Smt Nisha Singh, IAS, Joint Secretary, (Secretariat Branch), DAE has been appointed as a Director with effect from 28th November, 2014

### Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm:

- (a) that in preparation of accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed excepting a few minor deviations due to practical constraints, which have been disclosed in the notes forming part of the Accounts as per Sec. 129(5) of the Companies Act, 2013;
- (b) that the Directors have selected such of the accounting policies, 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 as on 31.3.2015 and of the profit and loss of the company for the year ended on that date;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) that the Directors have prepared the Accounts for the financial year ended 31st March, 2015 on a 'going concern' basis.

### Corporate Social Responsibility:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs & DPE Guidelines the Company has undertaken various activities as per the CSR Policy. The programmes / initiatives / projects are taken up in line with the Schedule-

VII of the Companies Act, 2013, which are duly incorporated in our revised CSR policy and forms the guiding principle for all our programmes. The Company has a Corporate Social Responsibility Policy which has approval of the Board of Directors

Pursuant to the Rule 8 of The Companies (Corporate Social Responsibility) Rules, 2014 a report on CSR activities for financial year 2014-15 is annexed herewith as Annexure 'G'.

### Acknowledgement

Your Directors acknowledge with thanks the support and encouragement received from the Department of Atomic Energy and its constituent units such as Bhabha Atomic Research Centre, Indira Gandhi Centre for Atomic Research, RRCAT, VECC, NFC, AMD, AERB, NPCIL and BHAVINI, Defence Research and Development Organization, Ministry of Defence and its constituent units, Indian Space Research Organization, Election Commission, Department

of Information Technology, Department of Science and Technology, Ministry of Shipping, Ministry of Finance, Ministry of Civil Aviation, Department of Corporate Affairs, Ministry of Home Affairs, Department of Public Enterprises and other ministries and departments of Government of India, the Government of Andhra Pradesh & Telangana, Statutory Auditors, the Chairman and members of the Audit Committee and the office of the Principal Director of Commercial Audit, bankers, foreign collaborators, all the customers and agencies, who are directly or indirectly associated with your Company.

The Board wishes to place on record its appreciation of the efforts and invaluable contribution made and excellent co-operation extended by the employees and executives at all levels which has resulted in the company achieving a good performance during the year and hopes that the Company would scale greater heights in the years to come.

For and on behalf of the Board of Directors



**P Sudhakar**

Chairman and Managing Director

Hyderabad  
16.09.2015

## Annexure – ‘A’

**Information required to be disclosed in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo.**

### **A. Conservation of Energy**

**Energy conservation measures taken during the year 2014-15.**

- i) Preventive maintenance of Sub-Station equipments like LT panels, Air circuit breakers, protection relays were carried out periodically to minimize the power losses in the HT & LT distribution systems.
- ii) Solar water heating system maintenance is carried out periodically for better performance of the system.
- iii) Filtration of Transformer Oil to improve the performance of Transformer thereby improving the efficiency of Power Distribution.
- iv) Replacement of Window Air conditioners with Star rated Energy Efficient Split Air Conditioners in rooms and labs.

**B. Additional investments and proposals, if any being implemented for reduction of consumption of energy.**

- i) Replacement of conventional type lighting system with Energy efficient lighting system in the new and renovation projects in the organization.
- ii) Replacement of 100 Nos of 80W Tube light fixture with 36W LED lighting fixtures in Admn Bldg.
- iii) Replacement of 15-20MVA Power Transformer with new 10MVA Power Transformer with On-Load-Tap-Changing facility.
- iv) Installation of new Microprocessor relay protection based Air Circuit Breaker Panel in Sub-station

- v) Replacement of old LT Power Distribution panels in 10Nos of Control rooms of production divisions.

**C. Impact of measurements at (a) and (b) above** for reduction of energy consumption and consequent impact on the cost of production goods.

- i) Annual energy consumption is increased by 11,23,940 KWH units due to addition and functioning of new facilities like Power Electronics Lab in IT&TG Bldg., Data Centre in NPR, Nalanda complex etc. and also due to increase in the production activities in the Factory.

### **D. Technology absorption**

Efforts made in technology absorption as per Form B

### Form B

### **A. Research & Development (R&D)**

#### **1. Specific Areas in which R&D is carried out**

- a) Nuclear Instruments
- b) Encryption systems
- c) Communication equipment
- d) Security systems
- e) Electronic Voting Machines

#### **2. Benefits derived as a result of the above R&D**

- a) The nuclear instruments developed have enabled import substitution, savings in foreign exchange as well as reduction in costs and have resulted in improvement of order book position of the company
- b) The encryption systems developed have enabled secure communication networking for strategic users while contributing significantly to the order book.



- c) The work done in communications will have applications in electronic warfare systems and are likely to lead to large opportunities for the company in the near future.
- d) The development of security gadgets would result in substantial cost savings for the company and increase its competitiveness in the integrated security systems.
- e) The development of multi-post multi-vote machines have yielded substantial business during the year 2014-15 with an even greater potential in the subsequent years.

### 3 Future plan of action (for R&D in Products and Technologies)

- a) Development of new instruments and enhancement of existing instruments for nuclear facilities.
- b) Development of instruments for societal applications like agriculture and health.
- c) Development of new modules and incorporation of additional features in the electronic warfare equipment.

### 4. Expenditure on R&D

(₹ Crores)

	2014-15	2013-14
i) Capital	2.56	4.34
ii) Recurring	42.90	44.02
iii) Total	45.46	48.36
iv) Total R&D expenditure as percentage of total turnover	3.59	3.48%

### B. Technology absorption, adaptation and innovation

#### 1. Efforts in brief made towards technology absorption, adaptation and innovation

- a) The know-how for instruments like Uranium Analyzer and Portable X-Ray Baggage Inspection systems acquired from DAE laboratories such as RRCAT and BARC have been engineered into commercial products.
- b) MoUs have been signed with C-DoT for acquiring the following technologies developed by them
  - 1. Gyan Sethu, an internet based real time information system for providing e-services in local languages
  - 2. Terabit Router and Broadband Wireless Terminal
  - 3. Phasor Measurement Unit and iRose SCADA software.

Absorption of the above technologies and converting them into products is under progress.

#### 2. Benefits derived as a result of the above efforts e.g. Product Improvement, Cost Reduction, Import Substitution etc.

The R&D and technology tie-ups have resulted in the company offering new products and upgraded versions of earlier products at competitive prices due to the value engineering and the resultant cost reduction. Some of the new products are import substitutes result in savings in foreign exchange.

### In case of imported technology (imported during last 5 years reckoned from beginning of financial year)

Technology imported during the last 5 years (reckoned from the beginning of the financial year)						
Sl. No.	Name & Address of the collaborator	Product	Year of Import	Technology Imported	Has Tech. been fully absorbed	If not fully absorbed give reasons
Nil						

### C. Foreign Exchange Earnings and outgo:

- I. During the year, the Company exported (including third party exports) ₹ 0.38 crores worth of its products, which includes Safe and arm devices to South Africa.
- II. The total exchange used and earned

(₹ Crores)

PARTICULARS	2014-15	2013-14
Foreign exchange used	313.64	228.23
Foreign exchange earned	0.38	2.40

### New Products:

The company has been pursuing the state-of-the-art technologies to establish itself as a Centre of Excellence in strategic and allied sectors, even while continuing to take up projects involving integration of complex and one-of-a-kind systems. A conscious effort also has been made to develop new products in association with other R&D and DAE institutes. The new products introduced by the company in the year 2014-15 includes Nuclear, Defence, Aerospace, Security, IT, Telecom & e-Governance sectors.

### Precision Radiation Monitor

Precision Radiation Monitor used is in Nuclear Power and Reprocessing Plants for measuring work area contamination. Visual alarms are activated when the preset threshold values are exceeded.



Precision Radiation Monitor

### Advanced Neutron Detector

It works on the principle of Gas Filled Proportional Counter for slow neutron detection.



Gas filled Neutron Detectors

It senses the neutron flux by the  $(n, \alpha)$  reaction and the subsequent ionization of the gas. With basic know-how from BARC a complete infrastructure is built at ECIL to produce the detectors. These detectors are used in Nuclear Power Plants and Ports.

### Uranium Analyser

Uranium Analyser is used to detect and monitor traces of Uranium in liquid samples and in Petroleum ore extraction process.

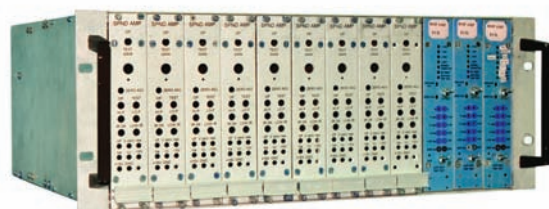


Uranium Analyser

The instrument is widely used in different DAE Units to identify and evaluate Uranium resources in various stages of Atomic Energy Programme. The Uranium Analyser is developed with technology know-how from RRCAT, Indore.

### Regional over Power Protection Amplifier Unit (ROP AMPLIFIER)

The ROP amplifier is used to measure thermal neutron flux in Power Range of Nuclear reactor.



ROP amplifier

It has built-in test facility and also provision to assess the insulation resistance (IR) of detector and cable. The unit is qualified for environmental and EMI/EMC tests.



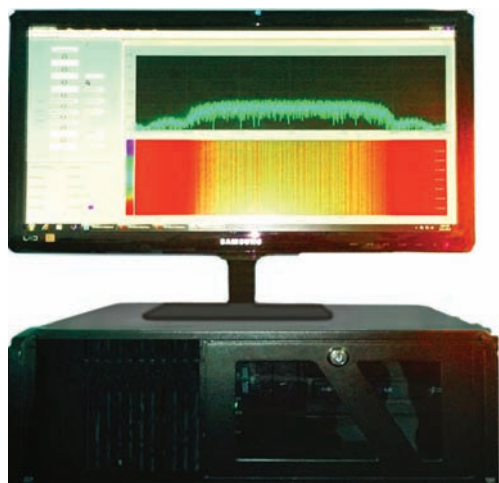
Data trend viewer screen shot

## Linux based ECSCADA Server Software

ECSCADA Server Software, is a client-server architecture developed on Linux platform. The software supports wide range of protocols such as Modbus (Serial,TCP/IP), DNP3.0 (Serial, TCP/IP), IEC60870-5-104/101, SRTP, ICCP and OPC UA.

## TDM Signal Analyzer & De-multiplexer

The TDM Signal Analyser & Demultiplexer performs TDM Signal Analysis, Activity Detection, Demodulation, Channel Decoding/Descrambling, De-multiplexing and Source

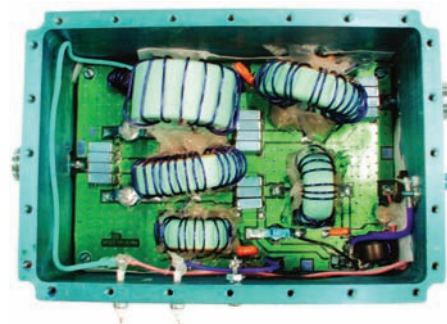


Data trend viewer screen shot

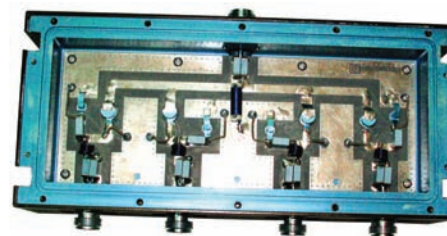
decoding of standard and non-standard TDM transmissions up to 50Mb/sec for extraction of intelligence information. It has applications in Defence, Internal Security and Para-military agencies.

## HF/VHF/UHF High Power Solid State Switches

High Power Solid State Switches are used for switching HF/VHF/UHF signals in Electronic Warfare and communication radios. The Solid



1.5 Kw VHF SP4T switches



1.5 kW HF TIR kW VHFSP4T switches



High Voltage and High Speed Driver

State Switches are capable of handling 1.5kW Continuous Wave RF power with a switching speed of less than 50 micro sec. These switches are low cost import substitutes.



## Solid State Digital Video Recorder System (SSDVRS)

The Solid State Digital Video Recorder System (SSDVRS) records the video along with audio signals, radio and eight discrete status signals during flight in the Aircrafts/Helicopters/Fighter jets for duration of 120 minutes.



Solid State Digital Video Recorder

## Security Gadgets (Sliding Gate, Tyre Killer, Road Blocker)

Sliding Gate, Tyre Killer and Road blocker provide a high level of security to control movement of unauthorized vehicles. These are used for protecting Strategic Establishments and Iconic Buildings.



Sliding Gate



Tyrekilker



Road Blocker

## Portable X-Ray Baggage Inspection System (XPBIS)



Portable X-ray Baggage Inspection System

Portable X-Ray Baggage Inspection System (XPBIS) reveal the contents of parcels, baggage, boxes, crates, vehicle tyres, Body panels and many other targets from a safe distance. It is also used as valuable aid in assessing and defusing improvised explosive devices (IEDs) and unexploded ordnance (UXO). This product is developed with technology know-how from BARC.

## Multi-Post EVM for State Election Commissions

Multi-Post EVM is used for local body elections in various states. It has security features like Detachable Memory Module (DIMM), Laser

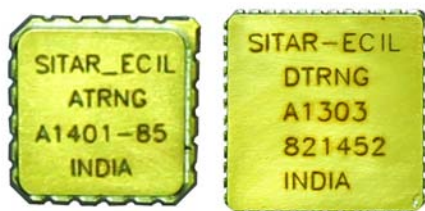


Multi-Post EVM

marked serial numbers, tamper resistant and tamper detection features customized for State Election Commissions.



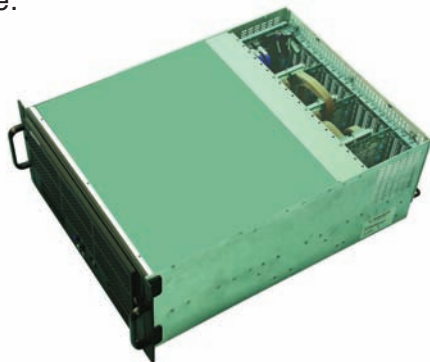
## True Random Number Generator (TRNG) ASICs



TRNG ASICs are used in a wide range of crypto systems, which require very high degree of apparent randomness. Indigenous technology designed by ECIL and fabricated at STARC (SITAR), Bengaluru.

## FPGA Based Key Search Engine for Cryptanalysis of AES

FPGA based key search engine is designed for AES. AES decryption logic with multiple engines running in parallel on multiple FPGAs with pipelined technique on a FPGA Cluster machine.



FPGA based Key Search Engine

## Network Based Fingerprint Identification Software for NODRS

Network Based Fingerprint Identification Software used to monitor and control the doses



Local Global Matching Results

received by radiation workers within nuclear fuel establishment through fingerprint identification. The software is deployed across all NPCIL sites and other DAE units.

For and on behalf of the Board of Directors

Hyderabad  
16.09.2015

**P Sudhakar**  
Chairman and Managing  
Director

## Annexure – ‘B’ EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**FORM No. MGT 9**

### **I. Registration & Other Details:**

1.	CIN	CIN: U32100AP1967GOI001149
2.	Registration Date	11.04.1967
3.	Name of the Company	Electronics Corporation of India Limited
4.	Category/Sub-category of the Company	Private Limited
5.	Address of the Registered office & contact details	ECIL Post, Hyderabad - 500062
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

### **II. Principal Business Activities of the Company (contributing 10 % or more of the total turnover of the company)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Nuclear Equipment	-	Nuclear, Defence and Securities Equipment and E-Governance Projects consists more than 90% of the Turnover.
2	Defence Equipment	-	
3	Security Equipment	-	
4.	E-governance	-	

### **III. Particulars of Holding, Subsidiary and Associate Companies**

S No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ECIL Rapiscan Ltd	U99999TG1995PLC019129	Associate	49%	2(6)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	16,33,712	16,33,712	100	-	16,33,712	16,33,712	100	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter A)	-	16,33,712	16,33,712	100	-	16,33,712	16,33,712	100	Nil
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	16,33,712	16,33,712	100	-	16,33,712	16,33,712	100	Nil



B) Shareholding of Promoter-									
S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		
1	President of India	1633709	99.97	--	1633709	99.97	Nil	Nil	Nil
2	Secretary & Chairman, AEC, Govt. of India, Department of Atomic Energy (DAE)	1	.01	--	1	.01	Nil	Nil	Nil
3	Jt. Secretary, DAE	1	.01	--	1	.01	Nil	Nil	Nil
4	Chairman & Managing Director, ECIL	1	.01	--	1	.01	Nil	Nil	Nil
C) Change in Promoters' Shareholding (please specify, if there is no change)									
S N	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year		% of total shares of the company	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	At the beginning of the year	16,33,712	100	16,33,712	100	16,33,712	100		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		Nil		Nil		Nil		
	At the end of the year	16,33,712	100	16,33,712	100	16,33,712	100		

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):					
S N	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. President of India 2. Secretary & Chairman, AEC, Govt. Of India, Department of Atomic Energy(DAE) 3. Jt. Secretary, DAE 4. Chairman & Managing Director, ECIL	1633709 1 1 1	99.97 .01 .01 .01	1633709 1 1 1	99.97 .01 .01 .01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 1. President of India 2. Secretary & Chairman, AEC, Govt. Of India, Department of Atomic Energy(DAE) 3. Jt. Secretary, DAE 4. Chairman & Managing Director, ECIL	1633709 1 1 1	99.97 .01 .01 .01	1633709 1 1 1	99.97 .01 .01 .01
E) Shareholding of Directors and Key Managerial Personnel:					
S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. Chairman & Managing Director, ECIL	1	.01	1	.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year 1. Chairman & Managing Director, ECIL	1	.01	1	.01

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (in ₹)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits (₹)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	267,60,19,103			267,60,19,103
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2676019103			267,60,19,103
<b>Change in Indebtedness during the financial year</b>				
* Addition	15,00,00,000	450,00,00,000		465,00,00,000
* Reduction	13,00,000	350,00,00,000		350,13,00,000
<b>Net Change</b>	14,87,00,000	100,00,00,000		
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	248,89,97,047	100,00,00,000		348,89,97,047
ii) Interest due but not paid		-		
iii) Interest accrued but not due	12,28,646	-		12,28,646
Total (i+ii+iii)	249,02,25,693	100,00,00,000		349,02,25,693

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

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

S No	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Sh. P. Sudhakar, C& MD	Sh. Kishor Rungta, Director (F)	Sh. VSB Babu, Director (P)	
1	Gross salary	₹ 29,04,092/-	₹ 26,16,976/-	₹ 26,02,826/-	₹ 81,23,894/-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 29,04,092/-	₹ 26,16,976/-	₹ 26,02,826/-	₹ 81,23,894/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	₹ 29,04,092/-	₹ 26,16,976/-	₹ 26,02,826/-	₹ 81,23,894/-
	Ceiling as per the Act	N.A	N.A	N.A	N.A

<b>B. Remuneration to other directors</b>					
<b>S No</b>	<b>Particulars of Remuneration</b>	<b>Name of Directors</b>			<b>Total Amount</b>
		<b>Sh. D Chakrapani</b>	<b>Sh. S S Sundaram</b>	<b>----</b>	
1	Independent Directors				
	Fee for attending board committee meetings	₹ 10,000/-	Nil		₹ 10,000/-
	Commission	Nil	Nil		Nil
	Others, please specify	Nil	Nil		Nil
	Total (1)	₹ 10,000/-	Nil		₹ 10,000/-
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil		Nil
	Commission	Nil	Nil		Nil
	Others, please specify	Nil	Nil		Nil
	Total (2)	Nil	Nil		Nil
	Total (B)=(1+2)	₹ 10,000/-	Nil		₹ 10,000/-
	Total Managerial Remuneration				₹ 81,33,894/-
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A
<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WT D</b>					
<b>S</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>			<b>Total</b>
		<b>CEO</b>	<b>CS</b>	<b>CFO</b>	
1	Gross salary	Nil	₹ 12,11,936/-	Nil	₹ 12,11,936/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit others, specify...	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	₹ 12,11,936/-	Nil	₹ 12,11,936/-



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



Dr. Sekhar Basu, Director, BARC taking keen interest in ECIL products



Shri P. Sudhakar, C&MD along with other members of the Board of Directors and senior officials of ECIL during tree plantation under the Haritha Haaram programme of the Government of Telangana





Dr. Nasim Zaidi, Chief Election Commissioner, Election Commission of India and his team taking keen interest in the manufacturing facilities for Electronic Voting Machine (EVM) at ECIL



Dr. MYS Prasad, Director, SHAR flagging off the Programmable Logic Controller system indigenously developed by ECIL for ISRO

## Annexure 'C'

### Corporate Governance

The Company continues to take several measures to enhance the openness and transparency of all its operations. The Company's business philosophy appreciates the need of upholding the highest standard of Corporate Governance in its operations. The management of the Company believes that strong and sound corporate governance practices would enable it to face the challenges of sustainable growth effectively and successfully.

### Board of Directors

In terms of Sec 2(45) of the Companies Act, 2013, ECIL is a Government Company. The

entire paid up capital of the Company is held by the President of India, including the 3 shares held by his nominees.

The Board, as at 31.03.2015, comprises of nine Directors - three Whole-time Functional Directors and six Part time Non-Executive Directors. The Board meets at regular intervals and is responsible for the proper direction and management of the Company.

During the financial year, four Board Meetings were held on 23.07.2014, 13.09.2014, 27.11.2014, and 23.03.2015. The composition of the Directors, their attendance at the Board Meetings during the financial year and at the last Annual General Meeting is as follows:

Name & Position	Board Meetings		Attendance at last AGM held on 13.09.2014	No. of other Director-ships
	Held during the tenure	Attended		
<b>Whole-Time Functional Directors</b>				
Shri P Sudhakar Chairman & Managing Director	4	4	Yes	1
Shri Kishor Rungta Director (Finance)	4	4	Yes	1
Shri V S B Babu, Director (Personnel)	4	4	Yes	Nil
<b>Part time Non-Executive Directors</b>				
Shri KAP Sinha (upto 16.09.2014)	2	1	Yes	Nil
Shri R A Rajeev (From 20.11.2014)	2	1	-	4
Smt. Nisha Singh (from 28.11.2014)	1	Nil	-	Nil
Shri K Jagannath	4	3	-	Nil
Shri D Chakrapani	4	Nil	-	Nil
Lt. Gen. Nitin Kumar Kohli	4	Nil	-	1
Shri S S Sundaram	4	3	-	Nil

The remuneration of the Whole-time Functional Directors is fixed by the Government of India. Shri D Chakrapani is independent Directors and has been paid sitting fees of Rs. 10,000/- per meeting. All other part-time Directors on the Board are officials from the Government / other PSUs and, therefore, are not paid any sitting fees for the meetings attended.

### Board procedures:

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board has been kept informed of major events/items and approvals taken wherever necessary. Chairman &



Managing Director/ Director (F), at the Board Meetings, keep the Board apprised of the overall performance of the Company.

## Code of Conduct

The Board of Directors of your Company has laid down a Code of Conduct for all Board Members and Senior Management of the company. The Code of Conduct has been posted on the company's website [www.ecil.co.in](http://www.ecil.co.in). All the Board members and the Senior Management personnel have affirmed compliance with the Code of conduct during the year 2014-15.

The following are the Sub Committees of the Board:

1. Board Sub Committee on Contract and Purchase
2. Board Sub Committee on remuneration
3. Board Sub Committee of CSR
4. Audit Committee

Name & Position	Audit Committee Meetings	
	Held during the tenure	Attended
Shri S S Sundaram	4	3
Shri D Chakrapani	4	1
Shri K A P Sinha (from 16.09.2014)	2	2
Shri K Jagannath (from 27.11.2014)	2	2

The Audit Committee reviewed the implementation of the Accounting Standards, Audit Programmes and Internal Audit Reports. The Committee perused the Annual Financial Statements and interacted with the Statutory Auditors for improvement in the systems for maintaining financial records as well as the data under Cost Accounting Record Rules. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and DPE Guidelines.

## Remuneration Committee

The Board at its 258th Meeting held on 23rd July, 2014 and again at its 260th Meeting held on 27th November, 2014 has reconstituted the

## Audit Committee

As on 31st March, 2015, the Audit Committee consisted of Shri S S Sundaram, Shri D Chakrapani and Shri K. Jagannath. Shri S S Sundaram was the Chairman of the Committee. Director (F), Director (T) and the Statutory Auditors were the special invitees for all the meetings. The Head of the Internal Audit Department has also been invited for participation in discussions. The members of the Audit Committee are experienced and have a fair knowledge of project finance, accounts and corporate law.

During the year, 4 (four) meetings were held on 22nd July, 2014, 13th September, 2014, 27th November, 2014 and 23rd March, 2015. The composition of the Audit Committee and their attendance during the financial year is as follows:

Remuneration Committee with the following members taking into consideration the revised guidelines on constitution of the Remuneration Committee:

- |                      |          |
|----------------------|----------|
| 1. Shri S S Sundaram | Chairman |
| 2. Shri D Chakrapani | Member   |
| 3. K Jagannath       | Member   |

The Committee had Nil meeting during the financial year 2014-15.

Details of remuneration paid to the Chairman & Managing Director and other Directors are given below:

SI No	Name of Director	All elements of remuneration of Directors (in ₹.)
1.	Shri P Sudhakar, C&MD	29,04,092/-
2.	Shri Kishor Rungta, Director (F)	26,16,976/-
3.	Shri V S B Babu, Director (P)	26,02,826/-

### Corporate Management Committee

The Corporate Management Committee is a high level policy making body at the Corporate level which is headed by the Chairman & Managing Director. The Committee consists of all Functional Directors, Executive Directors, General Managers and Heads of Divisions. The Committee meets regularly and deliberates upon the major policy issues including performance of the Company. The President and General Secretary of ECS&WU and President and Secretary of ECOA are the special invitees.

### Familiarisation & Training Programmes of Directors

At the time of induction of a new Director, a welcome letter is addressed to him along with details of business profile of the Company. Relevant Disclosures are taken from the Director and the management of the Company familiarises the new Director about the Company, its operations, various policies and processes of the Company, various divisions of the Company and their role and responsibilities, the governance and internal control processes and other relevant important information concerning the Company. Directors are also regularly encouraged and sponsored for attending important training programmes relating to Board related practices and orientation programmes etc. conducted by various institutes of repute.

### Disclosures:

1. During the year, there is no transaction of material nature with the Directors or their relatives or the Management that had potential conflict with the interest of the Company.

2. A statement of related party transactions during the year as per AS 18 is given in Notes forming part of Annual Accounts of the Company for the year 2014-15. Details of these transactions were also placed before the Audit Committee meeting.
3. There were no instances on non-compliance on any matter related to any guidelines issued by the Government during the last three years and no penalties / strictures were imposed on the Company by any Statutory Authority on any matter.
4. In ECIL, risk management is a part of management system based on safety conscious approach. A policy on risk management is being implemented in accordance with the Guidelines on Corporate Governance.
5. The Company being PSU, Central Vigilance Commission Guidelines are applicable, which provide adequate safeguard against victimization of employees. No person has been denied access to the Audit Committee.
6. No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees / ex-employees, towards fulfilling its Corporate Social Responsibility, were debited in books of accounts.
7. Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits and sitting fees as permissible under the rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.
8. Administrative and office expenses for the financial year 2014-15 is 4.60% of the total expenses as compared to 4.87% of previous year.

### Presidential Directives and Guidelines

The Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time regarding reservation for SCs, STs and OBCs in letter and

spirit. Officials dealing with the subject were provided necessary training to enable them to update their knowledge on the subject and perform their job effectively.

ECIL has implemented the Presidential Directive issued by the Government of India regarding implementation of Executives Pay Revision effective from 1st Jan, 2007.

## Means of Communications

1. The company displays the Accounts and other relevant information including those required under the Right to information Act on its website [www.ecil.co.in](http://www.ecil.co.in).

Year	Date	Time	Venue
2012-13	27.08.2012	1200 hours	Registered Office,
2013-14	25.09.2013	1400 hours	ECIL Post office,
2014-15	13.09.2014	14.30 hours	Hyderabad- 500062

No special resolution was passed in any of the last three Annual General meeting.

## Postal Ballot

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by Postal Ballot. However, the Company will extend the facility of voting by postal ballot, as and when decisions of shareholders will be sought. (on matters of critical nature and notified by the Government of India)

## Annual General Meeting

48th Annual General Meeting for the financial year 2014-15 will be held on 16th September, 2015 at Registered Office of the Company at Hyderabad

## Whistle Blower policy

With a view to establish a mechanism for the employees to report to the Management about their concerns regarding unethical behavior and the cases of actual or suspected fraud, violation of Company's general guidelines on Conduct and

2. Matters of interest to employees are circulated internally in the form of notices, office orders and instructions.

## General Shareholders Information

ECIL is not listed at any Stock Exchange in India or abroad. The entire share capital of the Company is held by the President of India and her nominees.

## General Body Meetings

The details the last three Annual General Meeting of the Company are given below:

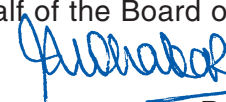
Ethics, the Company implemented the Whistle Blower Policy. The Policy ensures that adequate safeguards are provided to the genuine Whistle Blower against victimization.

## Compliance

The Company has complied with the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, Government of India. The Company is also submitting quarterly compliance report regularly to the Department of Atomic Energy, Government of India. The certificate received from the Company Secretary in Practice on compliance with the DPE Guidelines is enclosed with this report.

The DPE guidelines on Corporate Governance for CPSEs provide that the CPSEs would be graded on the basis of their compliance with the guidelines. DPE has graded ECIL as "Excellent" for the year 2013-14.

For and on behalf of the Board of Directors



**P Sudhakar**

Chairman and Managing Director

Hyderabad  
16.09.2015

## Annexure - 'D'

**N.V.S.S. SURYANARAYANA RAO**

Mobile: 9849567451.

B.Com, A.C.S.

COMPANY SECRETARY IN PRACTICE

### Certificate on compliance of conditions on CORPORATE GOVERNANCE

To  
The Members of  
Electronics Corporation of India Limited

We have examined the compliance of the conditions of Corporate Governance by Electronics Corporation of India Limited, for the year ended on 31<sup>st</sup> March, 2015, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010, which were forwarded by the Department of Atomic Energy (DAE), the Administrative Ministry of ECIL., for compliance with the instructions contained therein.

The Compliance for the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the guidelines. It is neither an audit nor an expression of opinion the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has adopted a Code of Business Conduct and Ethics for Board Members and Senior Management as per the "Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010", issued by Department of Public Enterprises, as per which it is the responsibility of Directors and Senior Management Personnel to familiarize themselves with the Code of comply with its Standards and affirmed compliance with the Code of Conduct for the financial year ended March 31, 2015.

We further certify that the Company has complied with all the Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010, except

- i. Guidelines regarding composition of independent directors on the Board of Directors.
- ii. Guidelines regarding composition of independent directors on the audit committee of the Board.

Place: Hyderabad  
Date : 11.07.2015

N.V.S.S. SURYANARAYANA RAO  
Company Secretary in Practice  
ACS No. 5868 C.P. No. 2886





## Annexure 'G'

### Annual Report on CSR Activities for the year 2014-15

S. No	Item description	Information
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>ECIL is committed towards holistic welfare of the Society by undertaking CSR activities within the ambit of Schedule-VII of the Companies Act 2013, Companies (CSR Policy) Rules 2014 and the Guidelines on CSR issued by DPE, Govt. of India. Out of the thrust areas mentioned in the Schedule-VII of the Companies Act 2013, priority will be given to under privileged, neglected and weaker section of the Society.</p> <p>The Company shall give preference to the local areas for spending at least 75% of the amount earmarked for CSR activities. The remaining amount will be utilized beyond local areas. At least 75% of the new proposals (i.e. CSR Proposals approved for the first time on or after 01.04.2014) shall be taken up in Project mode. The provisions of the Companies Act, 2013 and CSR Rules made thereafter shall have overriding effect vis-à-vis the provisions of this Policy.</p> <p>The First Level Committee on CSR shall ensure monitoring, co-ordination and supervision of all the Projects/activities of CSR during its implementation.</p>
2	The Composition of the CSR Committee.	Sh. D Chakrapani, Independent Director, Chairman Sh. Kishor Rungta, Director (Finance) Sh. VSB Babu, Director (Personnel)
3	Average net profit of the company for last three financial years	₹ 5,157.12 Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 103.14 Lakhs
5a)	Details of CSR spent during the financial year	₹ 70.65 Lakhs
a)	Total amount to be spent for the financial year	₹ 103.14 Lakhs
b)	Amount unspent, if any	₹ 32.49 Lakhs
c)	Manner in which the amount spent during the financial year detailed below	As given in the Annexure.

S. No	Item description	Information
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	The Company has incurred nearly 70% of allocated amount during the year. However, the remaining amount to the extent of 30% could not be incurred due to longer gestation of projects involving activities like construction of rooms & toilets etc., where the permission to construct from the local authorities takes long period. All these jobs are expected to be completed before Sep. 2015.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.	The CSR Committee has been taking proper care in implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the company.

Sd/  
Chairman & Managing Director

Sd/  
Chairman, CSR Committee

Sd/  
Director (Personnel)

Hyderabad  
16.09.2015

For and on behalf of the Board of Directors



**P Sudhakar**  
Chairman and Managing Director

## Annexure 'H'

### Management Discussion and Analysis

#### Industry Structure and Developments

The year gone by was marked by a slowdown in global growth with emerging markets like China witnessing a sharp fall in growth. The domestic market was characterized by improved sentiment after the general elections and resulted in a slight increase in GDP growth, moderate inflation and reduced volatility on the exchange rate front. The business confidence improved in the first half of the year but has been dipping since then due to the implementation measures falling short of the high expectations. However, the Government's emphasis on "Make in India" is likely to open up new opportunities and improve the business prospects for the future.

The operating environment during the year continued to be challenging with the market characterized by a slowdown, increased competition, slow decision making by customers and deferring of procurements due to spending restrictions during the latter half of the financial year 2014-15.

Despite the turnover of your company coming down in relation to the previous year, it may still be considered satisfactory in view of the difficult economic situation. The continued emphasis on cost reduction has however enabled the company to maintain the profit level at around the same figure.

#### SWOT Analysis

##### Strengths

- Multi-disciplinary core competency covering mechanical, electrical, electronics, RF, controls, communications, computers, IT, e-governance areas – all in one campus
- Valuable legacy of indigenous product development
- Close linkages with BARC and other R&D centres of DAE, DRDO and ISRO

- Durability and long-term support
- Joint development with technology partners for complementary technologies
- Excellent infrastructure and manufacturing facilities
- Systems and procedures suitable for the most stringent requirements
- Skilled manpower with excellent domain knowledge

##### Weaknesses

- Own product base has dwindled
- One-of-kind, R&D intensive projects with long cycle times
- No captive product or reserved market
- Delay in collection of sundry debts from Govt. customers
- Lack of pro-active marketing and product development
- Overdependence on a few markets (nuclear, defence and security)
- Long product development cycles leading to large lead time to market
- Low value addition in system integration projects which form bulk of the turnover
- Inability to attract and retain top talent

##### Opportunities

- Growth in Indian Nuclear Power Program
- Growth in Missile Programs such as Akash, BrahMos and EW Systems
- Growth in defence up gradation programmes
- Growth in homeland security business
- Growth in Information Security business
- Access to latest technologies developed in laboratories of DAE, MoD and DoS
- Growing defence budget allocation

- Government's emphasis on indigenous development and manufacture

### Threats

- Opening up Nuclear C&I segment to competition
- Non-level playing field in defence sector
- Rapid technological obsolescence
- Difficulty in sourcing few critical technologies

### Outlook for 2015-16

The company is confident of meeting its turnover target of ₹ 1800 crores for 2015-16 despite the order book position not being robust enough as there are several promising opportunities which have the potential to contribute significantly to this year's turnover. The major opportunities include the Election Commission of India's proposal to phase out the old EVMs and procure the latest machines for the 2019 general elections, Communication Radios, Jammers, Nuclear Instrumentation for 700MW power plants, Phase IV of the Integrated Security System for Delhi Police, CBRN Protection system, Electronic Fuzes and Radiation Detection Equipment for Airports. The company believes that the materialization of these opportunities into orders would not only enable the company to meet its turnover target for this year but also contribute significantly to targeting and achieving a much higher turnover in the next year.

## Segment –wise performance and outlook

### Nuclear

The nuclear business of the company comprises of control and instrumentation systems, simulators, nuclear and radiation instruments and monitoring systems for nuclear power plants, thermal power plants and process industries apart from the complete nuclear fuel cycle encompassing ore processing, fuel fabrication, spent fuel reprocessing and waste immobilization. During the year 2014-15, this

segment posted a turnover of ₹ 258 crores contributing 20% of the company's net turnover. The major contributions have come from instrumentation and control systems for 700MW PHWR nuclear power plants and ATV project, radiation detection equipment, control and The outlook for the nuclear segment is expected to be muted this year due to low order book and few opportunities which are likely to mature during the course of the year.

### Defence

The defence business of the company spans communication and communication intelligence systems, C&I systems for missile programs, electronic warfare systems and universal electronic fuzes for artillery. In the year 2014-15, this sector contributed ₹ 320 crores forming 25% of the company's turnover with major contributions coming from military radios and C&I systems for missile programmes.

The Defence Procurement Policy (DPP) advocating greater participation to private companies and the enthusiastic response from the global defence manufacturers to meet the defence requirements present challenges to the existing suppliers including your company. However, the recent success in winning the fuze order has opened up further opportunities in the fuze business. Similarly, new opportunities are coming up in the C&I systems. Therefore, the outlook for this segment is likely to be positive in the near future and the segment is expected to increase its share in the overall business of the company in the near future.

### Security

The security business suite of your company comprises of the integrated security system for physical and perimeter protection, including video-surveillance, access control and jammers, and the information security suite comprising of ECR series Carrier Ethernet Switch routers, Secure Network Access Systems, Integrated Threat Management Appliance and MPROGICON series Programmable Logic Controllers.



The homeland security business added ₹ 118 crores to the company's turnover in 2014-15. The major contributors have been the integrated video surveillance systems and jamming equipment.

The outlook for security business has become challenging and there are causes for concern as several projects have failed to take off. Despite this, the segment is expected to maintain its share in the company's turnover during 2015-16.

In the information security space, the mPROGICON PLC is making inroads into the nuclear and aerospace sectors. The leads for the ECR routers and Secure Network Access Systems are not getting translated into orders despite intensive efforts. The company continues to be hopeful that these products would contribute their due share to the company's turnover in the years to come.

### **Aerospace**

The major products of the company catering to the aerospace segment include earth station and other antennas, cockpit voice recorders and electromechanical sub-systems like gyros, synchros and actuators. In the year gone by, the company has successfully completed the proof testing of the MACE telescope which is now being installed at Hanle. The outlook for this segment is uncertain in the short run but is expected to improve due to increase in requirements of antennas, cockpit voice recorders and actuators for unmanned aerial vehicles.

### **e-Governance**

The e-Governance suite of your company includes products like the Electronic Voting Machines (EVM), Voter Verifiable Paper Audit Trail (VVPAT) printers. The solutions suite encompass computerisation of operations in areas involving the interaction of the common public with the Government such as sales tax administration, motor vehicle licensing and integrated check posts. In addition, your company is a member of the consortium

implementing the National Population Register(NPR) and Socio-Economic Caste Census (SECC) projects. The e-Governance segment generated ₹ 433 crores which forms 42% of the company's turnover in 2014-15 with the multi post multi vote Electronic Voting Machines contributing a major share. The Election Commission of India's proposal to phase out the old EVMs and procure the latest machines for the 2019 general elections will provide substantial business for the next 3-4 years. The outlook for the EVMs will continue to be bright while the other products may see a decline.

### **Risks and concerns**

Apart from the regular business risks inherent in any business, there are certain risks specific to strategic electronics industry in India. The government and its agencies are the exclusive customers for the nuclear, defence, aerospace and e-Governance segments. Concerns regarding inflationary trends not only affect availability of credit but also increase interest expense. They also lead to deferment of procurements by the government organisations. Unexpected delays and cost overruns due to delays in execution of projects where multiple agencies are involved constitute an on-going risk as do the delays in release of payments by the customers.

The depreciation of the rupee with respect to major currencies like the dollar is likely to be a major risk as it increases the cost of imports without a concomitant increase in the selling price which will have an adverse impact on profitability.

Inflation and interest rate changes are other causes for concern.

### **Internal control systems and their adequacy**

Your company has a robust system of internal controls in place which are commensurate with the size and nature of the business. The internal controls are in line with the statutory requirements and are designed to safeguard the assets against loss from unauthorized use or

disposal and ensure recording and reporting of all transactions. The control framework includes documented policies and procedures, internal audits and management review. The internal controls are designed to ensure that all records, financial or otherwise, are reliable for preparing financial information and accountability of assets.

Apart from the monitoring mechanisms instituted internally, an auditing firm has also been appointed to conduct internal audit of the company's operations as per the audit plan approved by the Audit Committee. This auditing firm presents its observations to the Audit Committee which is chaired by an independent director. The internal auditors provide reassurance to the affirmations given by the management regarding the adequacy and effectiveness of the control systems. The statutory auditors, as well as the internal auditors, also review the IT systems for the effectiveness of the controls. These observations are reviewed its Audit Committee.

Regular systems audits, including process and transaction audits are performed on the basis of an annual audit plan which covers all high risk and critical areas at least once in a year. The areas covered by the annual audit plan include

material procurement, inventory management, operations review and contract management.

### Cautionary Statement

The statements made in this management discussion and analysis describing the company's projections, estimates and expectations may be considered as "forward looking statements" that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise. Actual results, performances and achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The foregoing discussion and analysis should be read in conjunction with the Company's financial statements included in this report and the notes thereto. The important developments that could affect the company's operations include significant developments in the political and economic environment in the country, rise in input costs, exchange rate and interest rate fluctuations, environment standards, tax laws and labour relations.

For and on behalf of the Board of Directors



**P Sudhakar**

Chairman and Managing Director

Hyderabad  
16.09.2015



C&MD, ECIL explaining about the Environment Radiation Monitors at DAE's Public Outreach Programme held at the National Institute Technology (NIT), Warangal.



ECIL has signed an MoU with BDL for addressing the upcoming major Defence programmes



# Electronics Corporation of India Limited

## Balance Sheet as at 31st March, 2015

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>(1)</b>	<b>Shareholders' Funds</b>					
	(a) Share Capital	2	16,337.12		16,337.12	
	(b) Reserves and Surplus	3	55,049.43	71,386.55	51,833.05	68,170.17
	(c) Money received against share warrants			-		-
<b>(2)</b>	<b>Share application money pending allotment</b>			-		-
<b>(3)</b>	<b>Non-Current Liabilities</b>					
	(a) Long-term borrowings		-		-	
	(b) Deferred tax liabilities(net)		-		-	
	(c) Other Long term liabilities	4	32,432.76		17,581.88	
	(d) Long-term provisions	5	5,398.85	37,831.61	4,137.57	21,719.45
<b>(4)</b>	<b>Current Liabilities</b>					
	(a) Short-term borrowings	6	35,398.83		26,760.19	
	(b) Trade Payables	7	44,247.47		46,667.73	
	(c) Other Current Liabilities	8	45,308.03		60,219.82	
	(d) Short-term provisions	9	6,618.60	131,572.93	6,947.91	140,595.65
	<b>Total</b>			<b>240,791.09</b>		<b>230,485.27</b>
<b>II.</b>	<b>ASSETS</b>					
<b>(1)</b>	<b>Non-Current Assets</b>					
	(a) Fixed Assets :					
	(i) Tangible Assets	10A	12,499.15		14,190.88	
	(ii) Intangible Assets	10B	616.00		924.00	
	(iii) Capital Work-in-Progress	11	878.71		555.58	
	(iv) Intangible Assets under Development	12	926.75	14,920.61	926.75	16,597.21
	(b) Non-Current Investments	13		164.64		164.64
	(c) Deferred Tax Assets(net)	14		6,361.80		4,620.10
	(d) Long-term Loans and Advances	15		3,689.07		3,516.54
	(e) Other Non-Current Assets	16		46,191.10		23,945.02
<b>(2)</b>	<b>Current Assets</b>					
	(a) Current Investments		-		-	
	(b) Inventories	17	17,142.41		16,494.86	
	(c) Trade Receivables	18	91,460.68		115,274.99	
	(d) Cash and Bank Balances	19	27,873.73		27,708.34	
	(e) Short-term Loans and Advances	20	18,795.97		16,162.80	
	(f) Other current assets	21	14,191.08	169,463.87	6,000.77	181,641.76
	<b>Total</b>			<b>240,791.09</b>		<b>230,485.27</b>
<b>III.</b>	<b>Notes forming part of the Financial Statements 1-36</b>					

For and on behalf of the Board

**P SUDHAKAR**  
Chairman & Managing Director

**KISHOR RUNGTA**  
Director (Finance)

**JAI BHAGWAN SHARMA**  
Company Secretary

As per our report of even date attached  
For **UMAMAHESWARA RAO & CO.**

Chartered Accountants,  
FRN 004453S

Partner :  
**CA. G. KOTESWARA RAO**  
M.No. : 226795

Place: Mumbai  
Date: 29.07.2015



## Electronics Corporation of India Limited

### Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
I	<b>Revenue from operations (Gross)</b>					
	Sale of Products		91,987.32		94,172.20	
	Sale of Services		39,996.63	131,983.95	51,445.45	145,617.65
	Less : Excise duty			5,504.47		6,574.79
	<b>Revenue from operations (Net)</b>			126,479.48		139,042.86
	Other Operating Revenues	22		4.71		2.07
	<b>Revenue from Operations</b>			126,484.19		139,044.93
II	<b>Other Income</b>	23		4,318.49		3,426.77
III	<b>Total Revenue (I+II)</b>			130,802.68		142,471.70
IV	<b>Expenses:</b>					
	Cost of Materials Consumed	24		70,538.48		75,351.57
	Changes in inventories of finished goods, wip and traded goods	25		(499.19)		1,648.09
	Employee Benefits Expense	26		34,023.04		34,439.29
	Finance Costs	27		3,558.76		4,608.46
	Depreciation and Amortization Expense			2,604.20		1,923.54
	Other Expenses	28		12,497.28		14,006.97
	Expenditure on Corporate Social Responsibility (Refer Note 35)	29		70.65		-
	<b>Total Expenses</b>			122,793.22		131,977.92
	<b>Profit Before Prior Period items</b>			8,009.46		10,493.78
	<b>Less : Prior Period Items : Income/(Expenses)</b>	30		(1093.97)		(1525.25)
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			6,915.49		8,968.53
VI	<b>Exceptional Items : Income / (Expenditure)</b>	31		(364.10)		(2135.82)
VII	<b>Profit before extraordinary items and tax (V-VI)</b>			6,551.39		6,832.71
VIII	<b>Less: Extraordinary Items</b>			-		-
IX	<b>Profit before tax (VII-VIII)</b>			6,551.39		6,832.71
X	<b>Tax Expense:</b>					
	(1) Current Year Tax		2,923.00		3,332.00	
	(2) Minimum Alternate Tax Credit Entitlement		-		(80.43)	
	(3) Deferred Tax		(1,436.08)		(1707.46)	
	(4) For Earlier Years		46.70	1,533.62	549.45	2,093.56
XI	<b>Profit for the period from continuing operations (IX-X)</b>			5,017.77		4,739.15
XII	<b>Profit from discontinuing operations</b>			-		-
XIII	<b>Tax expense of discontinuing operations</b>			-		-
XIV	<b>Profit from discontinuing operations (after tax) (XII-XIII)</b>			-		-
XV	<b>Profit for the period (XI+XIV)</b>			5,017.77		4,739.15
XVI	<b>Earnings per equity share:</b>			Rs.		Rs.
	(1) Basic			307.14		290.08
	(2) Diluted			307.14		290.08
XVII	<b>Notes forming part of the Financial Statements 1-36</b>					

For and on behalf of the Board

**P SUDHAKAR**  
Chairman & Managing Director

**KISHOR RUNGTA**  
Director (Finance)

**JAI BHAGWAN SHARMA**  
Company Secretary

As per our report of even date attached  
**For UMAMAHESWARA RAO & CO.**

Chartered Accountants,  
FRN 004453S

Partner :  
**CA. G. KOTESWARA RAO**  
M.No. : 226795

Place: Mumbai  
Date: 29.07.2015

**Electronics Corporation of India Limited**  
**Cash Flow Statement for the year ended 31st March, 2015**

(₹ In Lakhs)

	Note No.	For the year ended on	
		31st March, 2015	31st March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS		6,551.39	6,832.71
Adjustments for :			
Depreciation		2,604.20	1,923.54
Interest expense		3,558.76	4,608.46
Dividends received		(44.10)	(36.75)
Interest received on Short Term Deposit Receipts		(2,315.68)	(2,438.79)
Expenditure on Corporate Social Responsibility Activities		70.65	-
Write off of Fixed Assets		0.66	10.44
<b>Operating profit before Working Capital changes</b>		<b>10,425.88</b>	<b>10,899.61</b>
Increase/Decrease in Inventories		(1,212.35)	(323.52)
Increase/Decrease in Sundry debtors		(3,016.39)	(13,095.85)
Increase/Decrease in Loans and advances		(6,081.02)	1,203.90
Increase/Decrease in Other Current Assets		(3,018.69)	12,275.19
Increase/Decrease in Current liabilities		(3,324.53)	3,525.83
Increase/Decrease in Provisions		833.05	382.16
<b>Cash generated from operations</b>		<b>(5,394.06)</b>	<b>14,867.32</b>
Direct taxes paid		-	(180.00)
Expenditure on Corporate Social Responsibility Activities		(70.65)	(74.65)
Grants received		3,000.01	26.42
Grants utilisation		(2,165.49)	(2,596.52)
<b>Cash flow before extraordinary items</b>		<b>(4,630.19)</b>	<b>12,042.57</b>
Extraordinary items		-	-
<b>Net cash from operating activities</b>		<b>(4,630.19)</b>	<b>12,042.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets { including from grant ₹. 195.19 lakhs (previous year ₹.341.07 Lakhs) }		(1,198.67)	(4,201.93)
Fixed assets in transit and capital work in progress		(323.13)	1,392.31
Intangible Assets under development		-	(926.75)
Interest received		2,293.49	1,267.79
Dividend received		44.10	36.75
<b>Net cash from investing activities</b>		<b>815.79</b>	<b>(2,431.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from term loan from Banks		8,638.64	(8,239.81)
Interest expense		(3,549.92)	(4,849.30)
Dividend paid		(947.84)	(647.00)
Dividend tax paid		(161.09)	(109.96)
<b>Net cash used in financing activities</b>		<b>3,979.79</b>	<b>(13,846.07)</b>
<b>Net increase in cash and cash equivalents</b>		<b>165.39</b>	<b>(4,235.33)</b>
<b>Cash and cash equivalents (Opening Balance)</b>	19	<b>27,708.34</b>	<b>31,943.67</b>
<b>Cash and cash equivalents (Closing Balance)</b>	19	<b>27,873.73</b>	<b>27,708.34</b>
<b>D. Notes forming part of the Financial Statements 1-36</b>			

**Note:**

- The above statement has been prepared under indirect method except in case of interest, dividend, purchase and sale of investments, Fixed assets and Taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in Assets and Liabilities.
- Refer Note no. 29 & 35 on Corporate Social Responsibility Expenditure.

For and on behalf of the Board

**P SUDHAKAR**  
Chairman & Managing Director

**KISHOR RUNGTA**  
Director (Finance)

**JAI BHAGWAN SHARMA**  
Company Secretary

As per our report of even date attached  
**For UMAMAHESWARA RAO & CO.**

Chartered Accountants,  
FRN 004453S

Partner :  
**CA. G. KOTESWARA RAO**  
M.No. : 226795

Place: Mumbai  
Date: 29.07.2015

## Notes to the financial statements for the year ended 31.03.2015

### Note 1: Significant Accounting Policies

#### A. BASIS OF ACCOUNTING:

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (IGAAP) and the provisions of the Companies Act, 2013.

#### B. USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions (including revisions, if any) that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### C. RECOGNITION OF REVENUE:

- (i) Sales include Excise Duty and exclude Sales Tax / Value Added Tax and Service Tax and revenue is recognized on accrual basis inter-alia in the following cases :
  - a) In case of FOR destination cases, Revenue is recognized on dispatch if there is reasonable expectation of the goods reaching the destination within the accounting period.
  - b) In case of Ex-works, FOT Works, FOR Works etc. contracts, revenue is recognized when the goods are handed over to the carrier for transmission to the buyer.
  - c) In respect of composite contracts involving supply and services where price breakup is available, revenue in respect of supplies are recognized when goods are delivered to customers unconditionally and service income is recognized based on completion of services. And where price breakup is not available, revenue is recognized as per contract value duly providing for services on estimated basis for the supplies made unconditionally.

- d) Revenue is recognized in respect of services / software against completion of milestones / acceptance / acknowledgement, where breakup values for each system / package are available in contract or based on technical estimates where such break up values are not available.

- e) If the sale price is pending finalization, revenue is recognized on the basis of price expected to be realized.

- (ii) Revenue is recognized on transfer of items (for Defence) to the bonded stores awaiting field-testings.

- (iii) Revenue is recognized on completion of customer's prior inspection and acceptance in case the contract so provides, even if the goods are retained in the custody of the Company at the request of the customer.

- (iv) In case of turnkey / composite contracts of complex equipment / systems, where the normal cycle time for completion is more than 12 months, subject to provision of anticipated losses, revenue is recognized (excluding taxes and duties) based on percentage completion method based on the percentage of actual contract cost incurred upto the reporting date to the total estimated cost of the contract.

#### D. INTERNAL CAPITALISATION AND INTER-GROUP TRANSFERS:

- i) Equipment manufactured for internal use is capitalized at cost.
- ii) Inter and Intra group transfers are made at agreed transfer price. However, unutilized stock of such items at the year end lying as inventory is valued at Cost or NRV whichever is lower.

#### E. INVENTORY:

- i) Raw materials, stores and spares and components are valued at cost (net of CENVAT/VAT) by using weighted average cost

formula or NRV whichever is lower. Inventories which are non-moving for more than 3 years and which may not be required for further use are suitably provided and in the case of inventories which are less than 3 years old, provision is made as assessed technically.

- II) Work in Progress of products / projects is valued at Factory Cost or NRV whichever is lower and such valuation is based on technical estimate as to the stage of progress.
- III) Finished goods are valued at "factory cost" or "net realizable value" whichever is lower.
- IV) Scrap is valued at "net realizable value".

#### **F. FIXED ASSETS & DEPRECIATION OF ASSETS:**

- i) a) Fixed Assets are stated at historical cost net of CENVAT/VAT, if any.
- b) Assets are depreciated on straight line method and depreciation is charged on monthly prorata basis for the additions / deletions during the year. The useful life of the assets adopted are as per Schedule II to the Companies Act, 2013, except in the following cases:
  - (i) Where the cost of the asset is Rs.10, 000/- or below (for assets acquired after 01.04.2003) depreciation is at 100% of the cost retaining Re.1/- in the net block.
  - (ii) Computer Systems acquired by CED and systems sent on hire or for demonstration or for use outside factory is depreciated @50%.
  - (iii) Assets acquired by Electronic Manufacturing Services Division under the heads of (i) Plant and Machinery and (ii) Electronic Testing and Measuring Equipment which are depreciated at a rate of 50%.
  - (iv) Structures, erections, Warehouses, Electrical Installations and other similar enabling works at projects / sites are depreciated considering the tenure of the contracts.
  - (v) Data processing equipment acquired for execution of NPR & SECC Project is depreciated @ 50%.

- ii) Impairment of Assets: As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

#### **G. PREPAID EXPENSES AND PRIOR PERIOD EXPENSE / INCOME :**

Prepaid expenses and Prior period expenses / income of items of Rs.1,00,000 and below are charged to natural heads of accounts.

#### **H. INTANGIBLE ASSETS:**

- a) The cost of software(which is not an integral part of the related hardware) acquired for internal use, together with outsourced cost of development / implementation, resulting in significant future economic benefits is recognized as an intangible asset in the books of accounts when the same is ready for use and will be amortized on straight line method over a period to be specified as per the technical evaluations from the year the asset is put to use.

Intangible assets that are not yet ready for their intended use as at the Balance sheet date are classified as " Intangible Assets under Development"

- b) Expenditure on Technical Knowhow fees, Software, Training of Personnel etc. are charged off to revenue on incurrence. However, in case of TKH charges incurred for new product lines or upgradations expenditure is amortised, based on technical assessment over the life cycle of the Project not exceeding 5 years.

#### **I. DEMURRAGES AND WHARFAGES:**

Expenditure on demurrages and / or wharfages on all imports, whether capital or otherwise, is charged off to revenue.

#### **J. FOREIGN CURRENCY TRANSACTIONS AND EXCHANGE VARIATION**

Transactions in foreign currencies are accounted at the exchange rate prevailing on

the date of transactions. Gains / losses arising out of the fluctuations in the exchange rate are recognized in the Statement of Profit & Loss in the period in which they arise.

The foreign currency fluctuations relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

**K. GOVERNMENT GRANTS:**

Govt. Grants related to specific fixed assets are shown as a deduction from the gross value of the assets concerned and those related to Revenue are deducted from the relevant expense accounts in the year in which the expenditure is incurred.

Subject to the conditions of the Grants, fully funded assets are shown at nominal value, while partially funded assets are shown after reduction of the grant amount.

**L. RESEARCH & DEVELOPMENT EXPENDITURE:**

Research and development expenditure of revenue nature is charged off to revenue when incurred, while of capital nature is capitalised.

**M. EMPLOYEE BENEFITS:**

- i) Provisions for gratuity and leave encashment liability to employees are made on the basis of actuarial valuation as at the year end. Actuarial gains and losses are recognized in the Statement of Profit and Loss as income or expense.
- ii) Compensation under VRS is charged off to revenue in the year of incurrence.

**N. BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which these are incurred.

**O. DEFERRED TAXES:**

Deferred Income Tax is provided using the liability method on all timing differences at the Balance Sheet date.

Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been substantively enacted by the Balance Sheet date.

**P. INVESTMENTS:**

Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

**Q. LEASES:**

- a) Assets given on operating lease are capitalized and related lease income is recognized as income, over the lease period, on accrual basis. In respect of lease and sub-lease arrangement, the lease rental received and payable are recognized as income and expenditure respectively in the Statement of Profit & Loss on accrual basis.
- b) Assets given on finance lease are recognized as sale at normal sale price / fair value / Net Present Value. Finance income is recognized over the lease period. Initial direct costs are expensed off in the year of incurrence.

**R. LIQUIDATED DAMAGES:**

Claims for liquidated damages against the Company are considered as and when contractually due except those which are considered by Management as negotiable and not payable. However, the same are treated as Contingent Liability.

**S. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

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



## Note 2 : Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Authorised Capital</b> 20,00,000 (Previous year 20,00,000) Equity Shares of Rs.1000 each	<b>20,000.00</b>	20,000.00
<b>Issued, Subscribed &amp; Paid-up Capital</b> 16,33,712 (Previous Year 16,33,712) Equity Shares of Rs.1000 each fully paid up	<b>16,337.12</b>	16,337.12
Total	<b>16,337.12</b>	16,337.12
<b>A) Reconciliation of No.of Equity Shares Outstanding at the Beginning and at the end of the year:</b>		
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Shares outstanding at the beginning of the year</b>	<b>16,33,712</b>	16,33,712
<b>Add :</b>		
1 No.of shares allotted as fully paid up bonus shares during the year	-	-
2 No.of shares allotted during the year as fully paid up pursuant to a contract without payment being received in cash	-	-
3 No.of shares allotted to employees pursuant to ESOPs/ ESPs	-	-
4 No.of shares allotted for cash pursuant to public issue.	-	-
<b>Less :</b>		
1 No.of shares bought back during the year	-	-
<b>No. of Shares outstanding at the end of the year</b>	<b>16,33,712</b>	16,33,712
<b>B) No.of Shares held by each shareholder holding more than 5% shares in the Company:</b>		
i) Name of the Shareholder	<b>President of India</b>	President of India
ii) No.of shares held in the company	<b>16,33,712</b>	16,33,712
iii) Percentage of shares held	<b>100%</b>	100%
<b>C) Aggregate number of</b>		
i. shares allotted for consideration other than cash	<b>NIL</b>	NIL
ii. shares allotted as bonus shares issued	<b>NIL</b>	NIL
iii. shares bought back during the period of five years immediately preceding the reporting date	<b>NIL</b>	NIL

### Note 3 : Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a General Reserve				
Opening Balance	2,650.00		2,650.00	
Add: Transfer from Statement of Profit and Loss	-		-	
	2,650.00		2,650.00	
Less: Adjustment of Depreciation (as per Transitional Provisions of Schedule II to Companies Act, 2013)	(593.54)	2,056.46	-	2,650.00
b Surplus in the statement of Profit and loss				
Opening Balance	49,183.05		45,695.01	
Add : Profit for the year	5,017.77		4,739.15	
	54,200.82		50,434.16	
Less : Appropriations				
Transfer to General Reserve	-		-	
Transfer to CSR Fund	-		142.18	
Provision for Dividend	1,003.55		947.84	
Provision for Dividend Tax	204.30		161.09	
Net surplus in the Statement of Profit and loss		52,992.97		49,183.05
Total		55,049.43		51,833.05

### Note 4 : Other Long - Term Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
(a) Trade Payables		-		-
(b) Others :				
1) Sundry Creditors for Expenses		2,222.94		2,551.14
2) Sundry Creditors for Capital items		972.43		1,549.05
3) Advances from customers		21,928.00		11,099.75
4) Deposits		357.85		196.85
5) Security Deposit for lease Premises		1,069.20		1,069.20
6) Others		5,882.34		1,115.89
Total		32,432.76		17,581.88

## Note 5 : Long - Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for Employee Benefits Leave Encashment	2,652.71	1,787.54
(b) Others Provision for Warranty	2,746.14	2,350.03
<b>Total</b>	<b>5,398.85</b>	<b>4,137.57</b>

## Note 6 : Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Loans repayable on demand From Banks From Others	- - -	- - -
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances : From Banks: i) Cash Credit (Secured) ii) Overdraft against Fixed Deposits (Secured) iii) Term Loans (Unsecured)	2,687.79 22,711.04 10,000.00	4,585.29 22,174.90 -
<b>Total</b>	<b>35,398.83</b>	<b>26,760.19</b>

Cash Credit is secured by way of a) hypothecation of all current assets of the Company viz., stocks, stores and spares not relating to Plant & Machinery (Consumable Stores & Spares), bills receivables and book debts and all other movable assets of the Company, both present and future and  
b) Equitable Mortgage on the land situated at ECIL, Hyderabad to an extent of Ac278.05gnts and Ac25.10cents located at Yerram Reddy Palem, Renigunta Mandal, Chittoor District.

### Terms & Conditions :

- The Cash Credit was availed from State Bank of India and is repayable on demand carrying an interest rate of 10.4%
- The Overdraft of ₹.21224.04 lakhs against fixed deposits is from State Bank of India and is repayable on the maturity carrying an interest rate of 0.4% above the fixed deposit interest rate.  
The Overdraft of ₹.1487 lakhs against fixed deposits is from State Bank of Hyderabad and is repayable on the maturity carrying an interest rate of 0.49% above the fixed deposit interest rate.
- The short term loans are from HDFC Bank with a tenor period of 90 days from the date of availment, carrying an interest rate of 10% per annum.

## Note 7 : Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Sundry Creditors for goods Dues to Micro, Small & Medium Enterprises ₹ 3800.84 lakhs (Previous year ₹ 3344.05 lakhs)		44,247.47		46,667.73
<b>Total</b>		44,247.47		46,667.73

## Note 8 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
(a) Interest accrued and due on borrowings		8.84		-
(b) Other Payables :				
i) Sundry Creditors for expenses	23,431.09		26,694.26	
ii) Government Grants-in-Aid	905.53		71.00	
iii) Deposits	492.49		765.01	
iv) Advance from Customers	14,254.86		25,006.82	
v) Other payables	6,215.22	45,299.19	7,682.73	60,219.82
<b>Total</b>		45,308.03		60,219.82

## Note 9 : Short Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) For Employee Benefits Provision for Leave Encashment		4,595.68		4,858.05
b) Others				
For Proposed Dividend	1,003.55		947.84	
For Tax on proposed Dividend	204.30		161.09	
For Warranty Charges	815.07	2,022.92	980.93	2,089.86
<b>Total</b>		6,618.60		6,947.91

## Fixed Assets

### Note: 10A Tangible Assets

(₹ in Lakhs)

S.No.	Name of the Asset	Gross Block At Cost			Depreciation						Net Block	
		As at 01.04.2014	Additions & Adj. During the Year	Deductions & Adj. During the Year	Total As At 31.03.2015	upto 31.03.2014	Charged to Statement of Profit & Loss	Adjusted against Reserves	Deductions & Adj. During the Year	Total As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Land (Free hold)	869.81	-	-	869.81	-	-	-	-	-	869.81	869.81
2a	Buildings	3,858.06	205.58	34.42	4,029.22	1,793.31	120.36	19.93	34.42	1,899.18	2,130.04	2,064.75
2b	Buildings (Lease hold)	186.55	-	-	186.55	65.05	2.89	-	-	67.94	118.61	121.50
3	Plant & Equipment	4,673.44	175.41	199.72	4,649.13	2,959.36	275.07	9.72	199.64	3,044.51	1,604.62	1,711.40
4	Furniture & Fixtures	2,267.35	68.90	20.02	2,316.23	1,202.11	228.78	144.86	17.68	1,558.07	758.16	1,062.69
5	Vehicles	111.09	19.07	0.86	129.30	60.97	12.21	0.10	0.85	72.43	56.87	50.12
6	Office Equipment	2,374.90	43.75	73.27	2,345.38	1,586.77	248.73	398.57	73.20	2,160.87	184.51	790.78
7	Others:											
	a) Roads, Bridges & Culverts	88.95	3.97	-	92.92	31.45	9.49	40.69	-	81.63	11.29	57.50
	b) Research & Development-Plant & Machinery	517.74	155.66	95.09	578.31	156.22	130.28	5.96	0.15	292.31	286.00	361.52
	c) Electronic Testing & Measuring Equipment	10,711.18	242.50	374.51	10,579.17	5,679.62	764.12	160.93	318.49	6,286.18	4,292.99	5,034.08
	d) Computer Systems hired out to Customers	1,694.07	214.67	1,458.06	450.68	1,694.01	44.72	-	1,458.01	280.72	169.96	0.06
	e) Air Conditioners & Air Coolers/Refrigerators	500.20	72.29	5.17	567.32	177.08	54.60	30.09	5.17	256.60	310.72	323.12
	f) Water Supply & Sewerage	53.22	3.48	-	56.70	40.36	4.12	0.69	-	45.17	11.53	12.86
	g) Electrical Installation & Equipment	1,873.69	237.77	30.61	2,080.85	451.70	206.32	62.12	17.51	702.63	1,378.22	1,422.05
	h) Library	80.28	-	0.16	80.12	72.51	3.35	3.75	0.16	79.45	0.67	7.76
	i) Sheds, Fixtures & Structures/Erections at Project Sites	81.62	182.99	14.87	249.74	38.32	60.91	21.75	14.87	106.11	143.63	43.31
	j) ERP-Hardware	283.15	49.52	42.76	289.91	25.76	117.60	-	-	143.36	146.55	257.39
	k) Assets held at Customer site (BOOT/BOMT)	0.42	37.44	-	37.86	0.24	12.65	-	-	12.89	24.97	0.18
	<b>Total (i)</b>	30,225.72	1,713.00	2,349.52	29,589.20	16,034.84	2,296.20	899.16	2,140.15	17,090.05	12,499.15	14,190.88
	<b>Previous year</b>	26,865.76	4,663.47	1,303.51	30,225.72	15,250.82	1,615.54	-	831.53	16,034.83	14,190.88	11,614.94

## Note: 10B Intangible Asset

1	Technical Knowhow	1,540.00	-	-	1,540.00	616.00	308.00	-	-	924.00	616.00	924.00
	Total (ii)	1,540.00	-	-	1,540.00	616.00	308.00	-	-	924.00	616.00	924.00
	Previous Year	1,540.00	-	-	1,540.00	308.00	308.00	-	-	616.00	924.00	1,232.00
	<b>Grand Total (i+ii)</b>	31,765.72	1,713.00	2,349.52	31,129.20	16,650.84	2,604.20	899.16	2,140.15	18,014.05	13,115.15	15,114.88
	Previous Year	28,405.76	4,663.47	1,303.51	31,765.72	15,558.82	1,923.54	-	831.53	16,650.83	15,114.88	12,846.94



## Note : 10 C

- (i) a. The Department of Atomic Energy (DAE) vide letter no:5/10(5)/2000-PSU/Vol.III/61 dated 10.01.2002 conveyed the approval of the President of India for transfer of ownership to the company at free of cost of the land on which the factory is located at Hyderabad admeasuring 278 acres. Thereafter, "Deed of Grant" for the land admeasuring 229.01 acres was issued by DAE in accordance with President of India's approval for transfer of ownership of land to ECIL at free of cost through letter dated 06.01.2006. The said land of 229.01 acres has been mutated in the name of ECIL on 19.05.2010 and necessary entries are made in the 'Record of Rights Amendment Register' by the Revenue Authorities. The said 'Deed of Grant' indicated that 31 acres and 10 guntas of land (with specified S.Nos in 223/7, 228,711& 24) will be transferred in ECIL's name as and when the said land is transferred in the name of DAE. Thereby, ECIL is entitled to get further 17 acres 29 guntas as per the above 'Deed of Grant'. However, ECIL is in excess possession of land in the survey nos. relating to grant of 229 acres 01 gunta, to the extent of 20 acres 300 guntas which was not allotted by DAE.
- b. Conveyancing of land at Moula-ali admeasuring 2.65 acres of land which involves 2.11 acres of exchange and purchase of 0.533 acres at cost of ₹ 1,65,103 in favour of the company from APIIC is yet to be completed .
- c. The Department of Atomic Energy (DAE) vide letter no : 5/10(5)/2000-PSU/Vol.III/61 dated 10.01.2002 conveyed the approval of the President of India for transfer of ownership of Land admeasuring 2773.50sq. yards and Buildings (Zonal Office ) situated at Prabhadevi, Mumbai at free of cost to the company .The conveyance of the property is under process.
- d. ECIL had executed Deeds of lease in favour of M/s Indian Rare Earth's Limited, a Govt .of India Undertaking, for Leasing out a part of Zonal office building at Mumbai, admeasuring 12,820 Sq.Ft in Ground Floor & First Floor for a period of 20 years with effect from 14th Day of February, 2000 at an Annual Rent of ₹ 1070/- per annum and interest free security deposit of ₹ 1069.20 lakhs.
- (ii) Assets acquired out of Grants by DAE, Government of India amounting to ₹ 195.19 lakhs (previous year ₹ 341.07 lakhs) and assets funded by BARC amounting to ₹ 14.34 lakhs (Previous year ₹ 50.81 lakhs) aggregating to ₹ 209.53 lakhs (previous year ₹ 391.88 lakhs) have been shown in additions& deductions in Fixed Assets Schedule No: 10. The nominal value of such Assets included in Gross Block for the year is ₹ 57/- (Previous year ₹ 74/-)
- (iii) Obsolete assets having a net value of ₹ 0.66 lakhs (previous year ₹ 10.44 lakhs) are reduced from Gross Block. Aggregate Gross Value of all these assets as at March 31, 2015 is ₹ 2050.96 lakhs (previous Year ₹ 861.73 lakhs)
- (iv) An amount of ₹ 21.53 lakhs (previous year ₹ 257.47 lakhs) has been charged off based on the EVMs manufactured during the year 2014-15 towards amortization of Tools cost amounting to ₹ 340.65 procured for execution of order received from Election Commission of India. The balance cost of ₹ 61.65 lakhs (previous year ₹ 83.18 lakhs) will be charged off in the forthcoming years based on EVMs manufactured.

## Note 11 : Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
1. Capital Equipment-in-Transit	52.08	95.57
2. Capital Work-in-progress	826.63	460.01
<b>Total</b>	<b>878.71</b>	<b>555.58</b>

## Note 12 : Intangible Assets Under Development:

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
1. Enterprise Resource Planning Licenses and Implementation	926.75	926.75
<b>Total</b>	<b>926.75</b>	<b>926.75</b>

## Note 13 : Non Current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
<b>Unquoted (Other Than Trade) - Long Term (At Cost)</b>				
<b>A) Investment in Joint Venture</b>				
1. 14,70,000 equity shares inclusive of Bonus shares of ₹ 10/- each fully paid up in M/s. ECIL - Rapiscan Ltd.		73.50		73.50
<b>B) Investment in Equity Instruments</b>				
1. Investment in M/s Andhra Pradesh Gas Power Corporation Limited :				
267940 equity shares of ₹ 10/- each	26.80		26.80	
1,92,960 Bonus shares of ₹ 10/- each	0.00		0.00	
268000 equity shares of ₹ 10/- each at ₹ 24/- per share.	64.32	91.12	64.32	91.12
2. 250 shares of ₹ 10/- each fully paid up in ECIL Employees Consumer Co-operative Society Limited		0.02		0.02
<b>Total</b>		<b>164.64</b>		<b>164.64</b>

## Note 14 : Deferred Tax (Net Asset)

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Deferred Tax Liability :</b>		
a) Depreciation	<b>3272.77</b>	5020.80
Gross Deferred Tax Liability	<b>3272.77</b>	5020.80
<b>Deferred Tax Asset :</b>		
a) Provision for Doubtful Debts and Advances	<b>8725.17</b>	6575.06
b) 43B Disallowances	<b>13175.83</b>	11988.57
c) Others	<b>88.46</b>	49.70
Gross Deferred Tax Asset	<b>21989.46</b>	18613.33
Net of Deferred Tax Asset & Liabilities	<b>18716.69</b>	13592.53
<b>Net Deferred Tax Asset</b>	<b>6361.80</b>	4620.10
<b>Total</b>		

## Note 15 : Long Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Capital Advances (Unsecured considered good)	<b>193.45</b>	72.70
(A)	<b>193.45</b>	72.70
b) Deposits :		
Secured considered good	-	-
Unsecured considered good	<b>3,366.89</b>	3,369.66
Doubtful	70.19	68.18
Provision for doubtful deposits	(70.19)	(68.18)
(B)	<b>3,366.89</b>	3,369.66
c) Loans and advances to related parties	-	-
d) Other Loans & Advances:		
Employee advances (Unsecured considered good)	<b>43.91</b>	41.89
Advance to Suppliers for Goods & Services (doubtful)	315.35	286.61
Less: Provision for Doubtful Advances	(315.35)	(286.61)
Others (Unsecured considered good)	<b>73.05</b>	32.29
Balances with authorities	<b>11.77</b>	-
Doubtful	5.41	-
Provision for doubtful Loans & Advances	(5.41)	-
(C)	<b>128.73</b>	74.18
<b>Total (A+B+C)</b>	<b>3,689.07</b>	3,516.54

## Note 16 : Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Long term trade Receivables				
Secured considered good	-		-	
Unsecured considered good	29,248.88		2,418.18	
Doubtful	11,925.00		9,431.50	
Less: Provision for Doubtful debts	(11,925.00)	<b>29,248.88</b>	(9,431.50)	2,418.18
b) Others				
Inventories		<b>564.80</b>		-
Unbilled Revenue		<b>15,911.85</b>		21,521.94
Claims Receivable good		<b>465.57</b>		4.90
Claims Receivable Doubtful	5.31		2.89	
Less: Provision for Doubtful claims	(5.31)	-	(2.89)	-
<b>Total</b>		<b>46,191.10</b>		23,945.02

## Note 17 : Inventories

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Raw Materials (includes Material in transit ₹ 1667.32 lakhs Previous year : ₹ 1260.79 lakhs)		<b>7,775.05</b>		8,221.59
b) Work-in-Progress		<b>6,085.15</b>		6,897.19
c) Finished Goods		<b>2,046.92</b>		741.94
d) Stores & Spares (includes in transit ₹ Nil Previous Year : Nil)		<b>1,157.35</b>		609.65
e) Loose Tools		<b>7.95</b>		5.45
f) Others :				
i) Packing Materials		<b>63.74</b>		19.04
ii) Scrap		<b>6.25</b>		-
<b>Total</b>		<b>17,142.41</b>		16,494.86



## Note 18 : Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
<b>a) Trade Receivables outstanding for a period exceeding six months</b>				
Secured Considered good	-		-	
Unsecured Considered good	35,607.66		54,903.82	
Doubtful	-		-	
Less : Provision for Doubtful Debts	-	<b>35,607.66</b>	-	54,903.82
<b>b) Others :</b>				
Secured Considered good	-		-	
Unsecured Considered good	55,853.02		60,371.16	
Doubtful	-		-	
Less : Provision for Doubtful Debts	-	<b>55,853.02</b>	-	60,371.16
<b>Total</b>		<b>91,460.68</b>		<b>115,274.99</b>

## Note 19 : Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
<b>i. Cash and Cash equivalents</b>				
a) Balances with banks:				
i) On current accounts	462.65		723.04	
ii) Deposits with original maturity of less than three months	-	<b>462.65</b>	-	723.04
b) Cheques, drafts on hand		<b>353.95</b>		181.84
c) Cash on hand		<b>3.11</b>		2.33
d) Others :				
i) Cheques in-transit	-		-	
ii) Fixed Deposit with banks	-		-	
iii) Stamps on hand	-		-	
iv) Imprest cash with officers	0.30		0.41	
v) Remittance-in-transit	53.72	<b>54.02</b>	0.72	1.13
<b>ii. Other Bank Balances</b>				
a) Earmarked balances with bank		-		-
b) Bank deposits with less than twelve months maturity		<b>27,000.00</b>		26,800.00
c) Bank deposits with more than twelve months maturity		-		-
<b>Total</b>		<b>27,873.73</b>		<b>27,708.34</b>

## Note 20 : Short Term Loans & Advances

(₹ in Lakhs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
a) Loans & Advances to related parties				
Secured Considered good	-		-	
Unsecured Considered good	-		-	
Doubtful	-		-	
Less : Allowance for bad & doubtful debts	-	-	-	-
b) Deposits		<b>2,342.74</b>		2,218.20
c) Tax Credits available		<b>4,135.62</b>		4,214.54
d) Others :				
Advance to Employees (Secured and good)		-		0.77
Advance to Employees (Unsecured Considered good)		<b>234.34</b>		65.99
Advance to Suppliers for Goods & Services		<b>8,501.74</b>		5,674.22
TDS & Advance Tax (Net of Provision for Income Tax)		<b>2,836.88</b>		3,453.62
Other Advances		<b>744.65</b>		535.45
Debts due by Directors or Officers		-		-
<b>Total</b>		<b>18,795.97</b>		<b>16,162.80</b>

## Note 21 : Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
1. Unbilled Revenue	<b>9,302.71</b>	893.90
2. Accrued Income	<b>4,316.70</b>	4,104.76
3. Claims with Customers	<b>571.67</b>	1,002.11
<b>Total</b>	<b>14,191.08</b>	<b>6,000.77</b>

## Note 22 : Revenue from other Operations

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
<b>Other Operating Revenue</b>				
a) Sale of Manuals	1.66		2.07	
b) Customs Duty Realisation	1.18		-	
c) Foreign Exchange Claims	1.87	<b>4.71</b>	-	2.07
<b>Total</b>		<b>4.71</b>		2.07

## Note 23 : Other Income

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
<b>1. INTEREST ON</b>				
a) Staff advances	3.53		0.75	
b) Electricity Deposits (APSEB)	5.03		5.07	
c) Term Deposit Receipts	2,315.68		2,438.79	
d) Others	975.12	<b>3,299.36</b>	227.36	2,671.97
<b>2. DIVIDEND FROM JOINT VENTURE COMPANY (ECIL - Rapiscan Ltd.)</b>		<b>44.10</b>		36.75
<b>3. OTHER NON-OPERATING INCOME</b>				
a) Rent	80.82		31.18	
b) Insurance Claims	2.02		0.70	
c) Unclaimed liabilities written back	136.15		262.25	
d) LDs Recovered on supplier bills	479.25		205.00	
e) Miscellaneous	276.79	<b>975.03</b>	218.92	718.05
<b>Total</b>		<b>4,318.49</b>		3,426.77

## Note 24 : Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
<b>1. CONSUMPTION OF RAW MATERIALS, ASSEMBLIES AND COMPONENTS</b>				
Opening Stock	6,960.80		5,269.10	
Add: Purchases (after sales and adjustments)	70,959.71		78,621.97	
Add: Departmental transfers - Production	382.78		203.87	
	78,303.29		84,094.94	
Less: Provision for obsolescence	(38.72)	<b>78,264.57</b>	-	84,094.94
Less: Closing Stock		<b>6,587.77</b>		6,960.80
		<b>71,676.80</b>		77,134.14
<b>2. CONSUMPTION OF</b>				
a) Stores and Spares	524.80		94.12	
b) Packing materials	16.55		39.48	
c) Tools	38.44	<b>579.79</b>	123.24	256.84
<b>3. COST OF ACCESSORIES &amp; SPARES CONSUMED</b>		<b>394.06</b>		216.04
<b>Sub - Total</b>		<b>72,650.65</b>		<b>77,607.02</b>
Less: Expenditure against Grants-in-Aid & Others		<b>(2,112.17)</b>		(2,255.45)
<b>Total</b>		<b>70,538.48</b>		<b>75,351.57</b>

## Note 25 : Changes in Inventories of Finished Goods & WIP

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
<b>Closing Stocks</b>		
i) Finished Stock	<b>2,046.92</b>	741.94
ii) Work-in-progress	<b>6,085.15</b>	6,897.19
iii) Scrap	<b>6.25</b>	-
	<b>8,138.32</b>	7,639.13
<b>Less: Opening Stocks</b>		
i) Finished Stock	<b>741.94</b>	828.28
ii) Work-in-progress	<b>6,897.19</b>	8,449.55
iii) Scrap	-	9.39
	<b>7,639.13</b>	9,287.22
<b>Decretion(+)/Accretion(-)</b>	<b>(499.19)</b>	1,648.09



## Note 26 : Employee Benefit Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
a) Salaries,Wages and Bonus	29,634.95	30,251.74
b) Contribution to Provident Fund including administrative charges	2,543.41	2,577.07
c) Provision for Gratuity	638.94	728.03
d) Welfare expenses	1,205.74	882.45
<b>Total</b>	<b>34,023.04</b>	<b>34,439.29</b>

## Note 27 : Finance Costs

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
1. Interest Expense	3,554.42	4,486.28
2. Other Borrowing costs	4.34	122.18
3. Applicable net gain/loss on foreign currecnny transaction and translation	-	-
<b>Total</b>	<b>3,558.76</b>	<b>4,608.46</b>

## Note 28 : Other Expenses

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
1. Power and Fuel		<b>678.23</b>		421.33
2. Water Charges		<b>700.33</b>		409.17
3. Professional and Consultancy charges		<b>1,856.70</b>		2,385.56
4. Travelling and Conveyance expenses		<b>2,187.47</b>		2,306.09
5. Repairs & Maintenance				
a) Buildings	306.00		256.43	
b) Plant & Machinery	13.43		4.50	
c) Others	275.46	<b>594.89</b>	318.32	579.25
6. Stores Incidentals-Inwards		<b>1,649.39</b>		1,289.59
7. Rents		<b>258.22</b>		239.21
8. Rates and Taxes		<b>199.71</b>		233.14
9. Insurance		<b>124.79</b>		87.58
10. Printing & Stationery		<b>90.20</b>		106.03
11. Postage, Telegram, Telephones & Telex		<b>111.90</b>		112.97
12. Advertisement		<b>65.25</b>		51.74
13. Guest House expenses		<b>64.29</b>		71.21
14. Entertainment expenses		<b>16.73</b>		8.90
15. Books and Periodicals		<b>9.28</b>		13.76
16. Vehicle expenses		<b>309.34</b>		336.54
17. Staff training expenses		<b>36.88</b>		33.47
18. Security Expenses		<b>1,175.91</b>		1,047.93
19. Directors' fees and travelling expenses		<b>0.65</b>		7.90
20. Payment to Auditors				
a) As Auditor	13.24		13.24	
b) For Taxation Matters	1.24		0.45	
c) For Company Law Matters	-		0.48	
d) For Management Services	6.09		6.35	
e) For Other Services	1.74		0.56	
f) For Reimbursement of Expenses	2.86	<b>25.17</b>	0.13	21.21
21. Exchange Rate Variation		<b>(573.62)</b>		245.59
22. Bank Charges		<b>28.71</b>		34.83
23. Commission on Bank Guarantees		<b>106.66</b>		104.34
24. Selling Expenses		<b>486.91</b>		398.27
25. Commission to Selling Agents		<b>16.00</b>		4.48
26. Freight Outwards		<b>59.20</b>		149.53
27. Expenditure on Warranty		<b>963.08</b>		1,279.12
28. Liquidated Damages		<b>2,411.72</b>		2,291.18
29. Miscellaneous		<b>297.13</b>		412.97
30. Research & Development Expenses		<b>2,319.90</b>		2,146.63

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
31. Provisions:				
Doubtful Advances	44.32		-	
For Obsolete Stock	38.72		-	
Doubtful Debts-S.Debtors	1,263.31	<b>1,346.35</b>	2,496.69	2,496.69
32. Amounts Written off				
i) Bad Debts written off	2106.45		2,071.65	
Less : Provisions withdrawn	(2105.89)	<b>0.56</b>	(1,951.50)	120.15
ii) Fixed Assets written off		<b>0.66</b>		10.44
iii) Other write offs	1.59		7.29	
Less : Provisions withdrawn	-	<b>1.59</b>	-	7.29
33. Transfer to other Accounts				
a) Expenditure on Research & Development	(2,319.90)		(2,146.63)	
b) Internal Jobs for capital use	-		(6.71)	
c) Purchase incidental variation	-		(3.39)	
d) Warranty Charges	(84.54)		(104.81)	
e) Departmental Transfers- Production	(382.78)		(203.87)	
f) Service Tax Input Credit	(2,277.81)		(2,991.71)	
g) Repairs & Maintenance (Internal)	(53.71)		-	
h) Others	(4.16)	<b>(5,122.90)</b>	-	(5,457.12)
<b>Total</b>		<b>12,497.28</b>		<b>14,006.97</b>

## Note 29 : Expenditure On Corporate Social Responsibility

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
a) Upgradation of Computer Education Facilities	<b>48.17</b>	-
b) Providing Computer Education Facilities	<b>21.73</b>	-
c) Others	<b>0.75</b>	-
<b>Total</b>	<b>70.65</b>	-

### Note 30 : Prior Period Items

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
1. Prior Period Income:				
a) Sales & Services	(1314.36)	<b>(1314.36)</b>	(1460.96)	(1458.56)
b) Other Receipts	0.00		2.40	
2. Prior Period Expenses :				
a) Depreciation	-	<b>(220.39)</b>	20.78	66.69
b) Miscellaneous Expenses	-		(2.14)	
c) Material Consumed	(181.61)		(18.10)	
d) Others	(38.78)		66.15	
Prior Period Income (Expense) <b>Total</b>		<b>(1,093.97)</b>		<b>(1525.25)</b>

### Note 31 : Exceptional Items

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
I) Income :				
a) Recovery from bad debts written off	2.05	<b>2,135.90</b>	15.99	1,644.84
b) Provisions withdrawn	2,133.85		1,628.85	
II) Expenditure :				
a) Provision for Doubtful Debts		<b>(2,500.00)</b>		(3,780.66)
<b>Total</b>		<b>(364.10)</b>		<b>(2,135.82)</b>

## NOTE: 32

- i. The financial statements have been prepared in line with the requirements of the Schedule III of the Companies Act, 2013 as introduced by the Ministry of Corporate Affairs effective from 01.04.2014. Assets and liabilities are classified between current and non-current based on the operating cycle of its various contract periods and having regard to the Company's nature of business.
- ii. Impact due to changes in Accounting Policies :
  - a) The Company has changed the Accounting Policy on Providing for Depreciation on Fixed Assets in line with the changes in the Provisions of Companies Act, 2013 [Refer Accounting Policy 1-F]. Consequent to the change, the amount of Depreciation charged to the Statement of Profit and Loss during the year is higher by ₹. 831.47 lakhs and Fixed Assets as at 31st March 2015 are lower by ₹.1730.63 lakhs. Further, an amount of ₹. 593.54 Lakhs (net of deferred tax of ₹.305.62 lakhs) being the opening written down value of the Assets whose useful life has become ₹.Nil as per the transitional provision of Schedule-II of the Companies Act, 2013 has been adjusted to the General Reserves under the head Reserves and Surplus (refer Note no.3).
  - b) Due to the change in Accounting Policy regarding making provision for Liquidated Damages on unexecuted contracts in addition to the executed contracts [refer Accounting Policy 1-R], the amount charged for the year to the Statement of Profit and Loss is higher by ₹.468.08 Lakhs.

## NOTE 33: EXEMPTION FROM DISCLOSURE:

The company has sought exemption from disclosure of certain details under para 5 of part II of schedule III of the Companies Act, 2013 under general instructions for preparation of Statement of Profit and Loss. As the company is in Strategic Electronic sector under aegis of the Department of Atomic Energy catering to the needs of Nuclear, Defence and Aero Space Sectors etc., and based on the exemption granted by Ministry of Corporate Affairs for earlier years, the company has not disclosed, in view of sensitive nature, the below referred details in the financial statements, pending approval under section 129(6) of the Companies Act, 2013.

Para	Particulars
5(ii)(a)	In the case of manufacturing companies
5(ii)(a) 1	Raw materials under broad heads
5(ii)(a) 2	Goods purchased under broad heads
5(ii)(b)	In the case of trading companies, purchases in respect of goods traded in by the company under broad heads
5(ii)(c)	In the case of companies rendering or supplying services, gross income derived from services rendered or supplied under broad heads
5(ii)(d)	In the case of a company which falls under more than one of the categories mentioned in (a) (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales and consumption of raw material and the gross income from services rendered is shown under broad heads
5(iii)	In the case of all concerns having work in progress, works in progress under broad heads



5(viii)	<p>The profit and loss account shall also contain by way of a note the following information namely :-</p> <p>a) Value of import calculated on CIF basis by the Company during the financial year in respect of</p> <p>I) Raw materials</p> <p>II) Components and spare parts</p> <p>III) Capital goods</p> <p>b) Expenditure in foreign currency during the financial year on account of royalty, know how, professional and consultation fees, interest and other matters.</p> <p>c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.</p>
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### NOTE 34: COMPLIANCE TO ACCOUNTING STANDARDS (AS)

(Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### A) Information in respect of Construction Contracts, Accounting Standard -7 (Revised 2002):

a) In terms of Accounting Policy No. A (iv) Contract Revenue of ₹.28130.84 Lakhs (previous year ₹.30869.08 Lakhs) is recognized based on the percentage of actual costs incurred to the estimated total cost of the Contracts.	(₹.in Lakhs)
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	As at 31st March, 2015	As at 31st March, 2014
b) Aggregate amount of costs incurred and recognized profits (Less Recognized losses)	158932.50	200083.23
c) Advances received and outstanding	29616.85	31257.97
d) Gross amount due from customers (Unbilled Revenue)	54831.41	53673.82
e) Gross amount due to customers	Nil	Nil
f) Retentions, if any	2258.29	6342.55

The estimates of total costs and total revenue in respect of construction contracts are reviewed and updated periodically and necessary adjustments are made in the current year's account. The contracts undertaken by the company are large in number and the total estimated cost of contracts undergoes a change on account of change in estimates as well as due to change in scope of work. Hence, it is impracticable to specify the nature and quantify the amount of change in the accounting estimates made while recognizing the revenue from contracts with respect to Accounting Standard-7.

## B) REVENUE RECOGNITION (AS-9):

Sales for the year includes :

- i) Goods which are in deliverable condition and are retained by the Company at the instance of the customers for an amount of ₹. 603.25 Lakhs (previous year ₹. 3637.92 Lakhs).
- ii) Provisional recognition of income of ₹.3954.27 Lakhs (previous year ₹.17431.59 Lakhs) towards supply of 10532 units of Control Units (Previous Year 1,00,078 units) and 39,393 units of Ballot Units (Previous Year 1,09,947 units) to Election Commission of India (ECI) pending finalization of price fixation/revision by ECI.

## C) GRANTS-IN-AID (AS-12)

Unspent balance of ₹.905.53 Lakhs as on 31.03.2015 (Previous year ₹. 71.00 Lakhs) out of Grants-in-Aid received from Government of India (GOI) for undertaking various Research & Development Projects is shown under other current liabilities in the Balance sheet.

(₹. In Lakhs)

Sl. No	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	Opening Balance	71.00	2641.10
2	Total receipts during the year	3000.01	26.42
3	Refund/Withdrawals during the year	0.00	0.00
4	Actually utilized during the year towards		
	a) Revenue Items	1970.30	2255.45
	b) Capital Items	195.19	341.07
5	Closing balance	905.53	71.00

## D) EMPLOYEE BENEFITS (AS-15):

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹. 2543.41 lakhs (Previous year ₹. 2577.07 lakhs) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.
- b) **Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on separation. It is managed by a separate trust, ECIL Employees Gratuity Fund through 'Employees Group Gratuity cum Life Assurance Scheme' of the Life Insurance Corporation of India.

Company makes annual contribution to the Fund based on the present value of the Defined obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended 31.03.2015 are as follows.

(₹. in Lakhs)

<b>I. Change in Benefit obligation</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Present value of obligation as at the beginning	16143.33	18018.47
a) Interest Cost	1291.47	1441.48
b) Current Service Cost	189.83	264.53
c) Benefits paid	3273.22	3827.64
d) Actuarial (gain) / loss	275.01	246.48
<b>Present value of obligation at the end of the period</b>	<b>14626.41</b>	<b>16143.33</b>

(₹. in Lakhs)

<b>II. Change in Fair value of plan assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
Fair value of Plan Assets at the beginning of the year	13847.07	13150.25
a) Expected return on plan assets	1117.36	1220.73
b) Contributions	57.22	3303.73
c) Benefits paid	3273.22	3827.64
d) Actuarial gain/loss on plan assets	NIL	NIL
Fair value of plan assets at the end of the period	11748.42	13847.07
Excess of Obligation over Plan Assets	2877.99	2296.26

(₹. in Lakhs)

<b>III. Expenses recognized in the statement of Profit &amp; Loss</b>	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
a) Current service Cost	189.83	264.53
b) Interest Cost	1291.47	1441.48
c) Expected return on Plan Assets	1117.36	1220.73
d) Net Actuarial (gain)/loss recognized in the period	275.01	246.48
Expenses recognized in the statement of Profit & Loss	638.94	731.76

(₹. in Lakhs)

<b>IV. Amounts recognized in the Balance Sheet</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
a) Present value of Obligation as at the end of the period	14626.41	16143.33
b) Fair value of Plan Assets at the end of the period	11748.42	13847.07
c) Funded Status	(2877.99)	(2296.26)
d) Liability recognized in Balance Sheet **	2930.02	2348.29

\*\* The above amount includes ₹. 52.03 Lakhs towards gratuity payable to ex-employees which is not claimed by them as at 31-3-2015.

#### V. Major Category of plan assets:

Not applicable as the funds were invested through Fund Manager, Central Office, Investment Department of Life Insurance Corporation of India.

VI. Principal Assumptions	As at 31st March, 2015	As at 31st March, 2014
a) Discounting Rate	8%	8%
b) Salary Escalation rate	6%	4%
c) Expected rate of return on plan assets	9.15%	9.05%
The estimates of future salary increase considered in actuarial valuation have factored in inflation, seniority, promotion and other relevant factors.		

#### E) Leave Encashment:

Earned Leave/Vocation Leave can be encashed to a maximum of 50% of the leave at the credit of the employee subject to the condition that the leave encashed at a time shall not be less than 10 days and shall not be more than 54 in case of Earned Leave, 90 days in case of Vocation Leave. However, employees are entitled to a maximum of 180 / 300 days towards the terminal benefits on superannuation/VR/Resignation/Termination. The scheme is unfunded and liability is recognized on the basis of actuarial valuation. An amount of ₹.2376.31 lakhs (previous year ₹.1982.05 lakhs) has been provided during the year 2014-15 to keep the leave liability as per the actuarial valuation of leave encashment liability as on 31st March, 2015 at ₹.7248.39 lakhs (previous year ₹. 6645.59 lakhs).

The actuarial assumption for salary rise is 6% (Previous Year 4%) and discount rate is 8% (Previous Year 8%).

#### F) SEGMENT REPORTING (AS-17)

The company is engaged mainly in electronic products and services and considered as a single segment for the purpose of Accounting Standard -17 as per strategic reasons. The Company has sought for exemption from disclosure with particular reference to Para 5(ii)(a) to 5(ii)(c) of Schedule II to the Companies Act, 2013 as stated vide Note no.33 above.

During the year under report, substantial part of the Company's business has been carried in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

**G) RELATED PARTY TRANSACTIONS (Pursuant to Section 188 of the Companies Act, 2013) & RELATED PARTY DISCLOSURE (AS-18):**

- i) Remuneration to Key Management Personnel – ₹. 93.35 Lakhs (Previous year 76.23 Lakhs) as detailed below:

(₹. in Lakhs)

Name of the Key Management Personnel	Position Held	Salary	Contribution to PF	Pension and other benefits	Total
Shri P Sudhakar	C&MD and Director (Technical)	21.91 (19.94)	2.28 (2.06)	4.85 (5.85)	29.04 (27.85)
Shri Kishor Rungta	Director (Finance)	20.92 (19.22)	2.17 (1.98)	3.07 (2.98)	26.16 (24.18)
Shri V S B Babu	Director (Personnel)	20.81 (18.92)	2.16 (1.95)	3.06 (3.33)	26.03 (24.20)
Shri Jai Bhagwan Sharma *	Company Secretary	9.62	1.00	1.50	12.12
<b>Grand Total</b>	73.26 (58.08)	7.61 (5.99)	12.48 (12.16)	93.35 (76.23)	

\*not included in the previous year as the change in definition of Key Management Personnel under Companies Act, 2013 is effective from F.Y 2014-15.

- ii) The Company has 49% stake in the equity share capital of M/s ECIL-Rapiscan Limited, a joint venture with OS Inc.

Details of transactions:

(₹. In lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Purchase of Goods	356.94	331.81
Sale of goods	Nil	2.45
Services rendered to JV	Nil	1.40
Services received from JV	921.06	573.08
Agency arrangements (manpower)	1675.00	1289.70
Amounts payable to JV	467.24	453.51
Amounts receivable from JV	11.43	26.38



## H) LEASE TRANSACTIONS (AS-19):

### Assets given on Operating Lease:

(₹.in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Class of Assets	Buildings	Buildings
Lease Rental Earned during the year	80.82	31.18
Minimum Lease Rental on Non-cancellable Leases:		
Not later than One year	41.95	52.38
Later than one year and not later than five years	152.33	169.32
Later than Five Years	83.07	83.07
Gross Value of Assets	186.55	53.86
Current Year Depreciation	2.89	0.87
Accumulated Depreciation	67.94	30.92
Net Value	118.61	22.94

The Company has leased out office premises on operating lease by entering into renewable lease agreements. Escalation with respect to lease rentals have been considered wherever applicable, as per the lease agreements.

### Assets Taken on Operating Lease:

(₹.in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Class of Assets	Buildings	Buildings
Lease Rental Incurred during the year	278.21	272.77
Minimum Lease Rental on Non-cancellable Leases:		
Not later than One year	233.74	220.49
Later than one year and not later than five years	380.98	183.38
Later than Five Years	107.75	-

The Company has taken office premises, guest house accommodations on operating lease by entering into renewable lease agreements. Escalation with respect to lease rentals have been considered wherever applicable, as per the lease agreements.

The company has not taken or given any assets under Finance Lease.

## I) EARNINGS PER SHARE (AS-20):

Earnings per share as per AS-20 are calculated as shown below:

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Numerator :		
Net Profit after tax as per Statement of Profit and Loss	₹. 5017.77 Lakhs	₹. 4739.15 Lakhs
Denominator :		
Number of equity shares	1633712 Nos	1633712 Nos
Number of equity shares allotted during the year	NIL	NIL
Weighted average number of equity shares for calculation of earnings per share (Basic & Diluted)	1633712 Nos	1633712 Nos
Nominal value of equity share	₹.1000/-	₹.1000/-
Earnings per share (Basic & Diluted)	₹. 307.14	₹. 290.08

## J) INTANGIBLE ASSETS UNDER DEVELOPMENT (AS-26):

Pending implementation of ERP modules in specific areas of the Organization, the entire expenditure incurred on Enterprise Resource Planning (towards Licenses and Implementation) is kept under Intangible Assets under development under Note no.12 and no amount has been amortized during the year.

## K) IMPAIRMENT OF ASSETS (AS-28):

Based on the assessment of internal and external factors, no provision for impairment of assets is considered necessary as the realizable value of assets is more than the carrying cost of the assets.

## L) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29):

- (a) Provision is made for warranty expenditure at 0.5% on product sales and at 2% on revenue recognized on Construction contracts under AS-7, the details of provisions made are as under:

(₹. In Lakhs)

Particulars	As at 31st March,2015		As at 31st March,2014	
	On product sales	On contracts under AS-7	On product sales	On contracts under AS-7
Opening Balance	782.27	2548.70	694.01	2380.55
Provisions made during the year	305.65	664.27	345.76	581.98
Amounts used / reversed (i.e, incurred and charged against provision)	454.41	285.27	257.50	413.83
Closing balance	633.51	2927.70	782.27	2548.70

(b) Contingent Liabilities and Capital Commitments

(₹. in Lakhs)

Sl. No.	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
i)	Contingent liabilities (to the extent not provided for)		
a)	Claims against the company not acknowledged as debt		
	i) Court/Arbitration cases	652.86	697.71
	ii) Demands from Government authorities and appeals filed against the Company not provided for in respect of taxation matters (includes an amount of ₹.3945.56 Lakhs (previous year ₹.224.90 Lakhs) recoverable from sub-contractor as per the terms of the contract)	13541.83	9497.12
b)	Others		
	i) Letters of Credit	5341.93	3853.47
	ii) Others	1715.79	2693.69
	iii) Corporate Guarantees	30251.62	15967.83
	iv) Indemnity Bonds	21549.98	30546.46
c)	No provision is considered necessary in respect of the differential sales tax liability of ₹.781.90 lakhs estimated at next higher rate of tax that may devolve on the Company for non-receipt & submission of statutory forms in respect of pending assessments for the years 2012-13 to 2014-15 (previous year ₹.1112.97 lakhs), as the company is confident of collecting the statutory forms from the customers for onward submission to Commercial tax department.		
d)	There exists no liability whether crystallized or contingent as on 31.03.2015 in terms of the Civil Liability for Nuclear Damage Act, 2010.		
ii)	Capital Commitments: (₹.in Lakhs)		
Sl. No.	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1778.34	2165.56

**NOTE 35: Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 and rules made there under on CSR Activities, ECIL has incurred an amount of ₹.70.65 lakhs towards Corporate Social Responsibility activities during the Financial Year 2014-15 and debited to Statement of Profit and Loss while for the previous year an amount of ₹.74.65 lakhs was appropriated out of Reserves.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2014-15 are as under:

S.No	Particulars	Amount ₹. in Lakhs
1	Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	15471.35
2	Average of net profits	5157.12
3	Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	2%
4	Amount to be spent towards CSR Activities for the F.Y 2014-15	103.14
5	Amount actually incurred on CSR Activities during F.Y 2014-15	70.65

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by ECIL on CSR activities are as follows:

(₹.in Lakhs)

S.No	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/Acquisition of asset	Nil	Nil	Nil
(ii)	Other than (i) above:	55.37	15.28	70.65

### NOTE 36: OTHERS

- i. Expenditure in Foreign Currency (excluding provision)  
(Other than exempted from disclosure – refer note no.31)

(₹. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Foreign Travel	19.71	55.61
TOTAL	19.71	55.61

- ii. Export Earnings: (including Deemed Exports)

(₹. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Exports – Products	38.42	240.28
TOTAL	38.42	240.28

- iii. Trade Payables include an amount of ₹.3800.84 Lakhs (previous year ₹.3344.05 lakhs) towards the outstanding dues to Micro Enterprises and Small Enterprises.

The disclosure relating to Micro and Small Enterprise is given below:

(₹. in Lakhs)

	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
a)	The principal amount remaining unpaid to any supplier as at the end of the accounting year	3800.84	3344.05
b)	The interest due thereon remaining unpaid to any supplier as at the end of the accounting year	51.86	62.56
c)	The amount of interest paid in terms of section 16 of MSMED Act, 2006 along with the amount of payment made beyond the appointed day during the accounting year	NIL	NIL
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	NIL	NIL
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	51.86	62.56
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	NIL	NIL

iv. Inventories include:

Material with sub contractors amounting to ₹. Nil (previous year ₹. 83.72 lakhs) and Finished goods amounting to ₹.3.51 lakhs (previous year ₹.3.74 lakhs) sent on demonstration/exhibition/ approval.

v. On account of complexities involved in realization of debts in Instruments and Systems Group, the Company has made an aggregate provision of ₹.2500 lakhs (Previous Year ₹.3780.66 lakhs comprises of Instruments & Systems Group and Information Technology & Telecom Groups) towards doubtful debts and shown under exceptional items in the Statement of Profit and Loss.

vi. Two MCV and one MCP against the order of M/s. Bharat Dynamics Limited on which sale was recognized has been retained in the premises of the Company for more than 10 years at the request of the customer and an amount of ₹. 23.94 lakhs is due from the customer.

vii. The balances shown under Sundry Debtors, Sundry Creditors, Advances Received and Advances Paid are subject to confirmation and consequent reconciliation, if any.

viii. Figures relating to previous year are either suitably regrouped or recast wherever considered necessary to confirm to the current year's classification.

\* \* \* \* \*





Shri P Sudhakar, C&MD, ECIL explaining the working of EVM and VVPAT printer to Shri Bandaru Dattatreya, Hon'ble Minister of State for Labour & Employment



Dr. R. Chidambaram, Principal Scientific Advisor to the Govt. of India with Shri P. Sudhakar, C&MD, ECIL and other Directors at the Photo exhibition on Dr.A.S. Rao organized as part of Dr. AS Rao's Birth Centenary Celebrations at ECIL





Distribution of school bags to the students of Zilla Parishad High School, Kapra by Shri P. Sudhakar, C&MD, ECIL under CSR initiative in the presence of Shri VSB Babu, Director (P), ECIL; Shri NVSS Prabhakar, Member of Legislative Assembly, Uppal Constituency



Medical camp for girl students at Mandal Parishad Primary School organised by ECIL as a CSR activity

## Annexure-E

### Independent Auditors' Report

To  
The Members  
Electronics Corporation of India Limited,  
Hyderabad

#### Report on the Financial Statements

We have audited the accompanying financial statements of Electronics Corporation of India Limited (ECIL), ("the company"), Hyderabad, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including

the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of the such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 opinion on the financial statements.

### **Basis for Qualified Opinion**

The balances appearing under Trade Receivables, Sundry Creditors, Advances to Suppliers and Advances from Customers include certain amounts which are long outstanding. Pending confirmations, reconciliations and consequent adjustments, if any, of such balances, the impact of the same on the Statement of Profit and Loss and Balance Sheet, is not quantifiable.

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for qualified Opinion' paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its Profit and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

We draw attention to the following matters in the Notes to the financial statements:

- a. Note 34(B)(ii) which describes the provisional recognition of income towards supply of Control Units and Ballot units pertaining to Electronic Voting Machines, pending finalization of price by Election Commission of India.
- b. Note 33 regarding non-disclosure of certain details, pending grant of exemptions sought from Ministry of Corporate Affairs as the company is in Strategic Electronics sector under aegis of Department of Atomic Energy.

Our opinion is not qualified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(5) of the Act, with regard to the directions issued by the Comptroller and Auditor General of India, we report that:-



- a. The company has not been selected for disinvestment till date.
- b. The company has written off ₹ 2106.45 lakhs as bad and doubtful debts during the year on account of non recoverability due to imposition of liquidated damages by the customers in earlier years and not accounted by the company, down time penalties, mismatch on account of issues relating to tax deducted at source, differential taxes etc,. The same is adjusted against the provision created in earlier years for bad and doubtful debts to the extent of ₹ 2,105.89 lakhs and the balance of ₹ 0.56 lakhs was charged off to the statement of profit and loss as write-off of bad and doubtful debts.
- c. The company has maintained proper records in respect of inventories lying with the third parties and assets received as gift from Government and other authorities.
- d. The age-wise analysis of 70 pending legal/arbitration cases including reasons for pendency is enclosed vide Schedule-I. The company has a satisfactory monitoring mechanism for incurring of expenses for all legal cases. There are no pending foreign legal cases.

3) As required by Section 143(3) of Companies Act, 2013, we report that:

- a. We have sought and, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the Returns received from Branches not visited by us;
- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. As the Company is a Government Company, it is exempted from the provisions of Section 164 (2) of the Act regarding disqualification of Directors vide Notification GSR-E dt. 5th June, 2015 issued by the Government of India, Ministry of Corporate Affairs.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations give to us;
  - i. The Company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements – Refer Note 34L(b)(i)(a) to the financial statements;
  - ii. The Company has made provision as required under the applicable law and accounting standards, for material foreseeable losses, on long term contracts – Refer Notes 5, 8, 9 and 34L (a). The company has no derivative contracts.



- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2015.

**For Umamaheswara Rao & Co.,**

Chartered Accountants

Firm Registration No. 004453S

*G. Koteswara Rao*

**(CA. G. Koteswara Rao)**

Partner

Membership No.226795

Place: Mumbai

Date : 29-07-2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**The annexure referred to in the Independent Auditors' Report of even date to the Members of Electronics Corporation of India Limited (ECIL) ("the Company"), on the Financial Statements for the year ended 31st March 2015, we report that:**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its Fixed Assets once in three years and accordingly external agencies have carried out physical verification during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noted on such verification.
- ii. (a) Physical verification of inventories except goods-in-transit and stock lying with third parties, has been conducted during the year by the in-house Internal Audit Department. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of the inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and they have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Sec. 189 of the Companies Act, 2013.
- iv. There is adequate internal control system commensurate with the size of the company and the nature of the business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in the Internal Control system of the company during the year.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues were in arrears as at 31st March, 2015 for a period exceeding 6 months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues in respect of Wealth Tax which have not been deposited with the appropriate authorities on account of any disputes. According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added Tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	711.00 424.37 103.61	2002-03 1986-87 2010-11	High Court of Andhra Pradesh Central Board of Direct Taxes Commissioner of Income Tax (Appeals)
Total		<b>1,238.98</b>		
The Customs Act, 1962	Customs Duty	134.42	1994-95	Commissioner, Mumbai
Total		<b>134.42</b>		
The Central Excise Act, 1944	Excise Duty	90.48 764.88 34.16 89.33 120.94	1994-95 1995-97 2000-01 2002-03 2006-07	The Supreme Court of India Customs Excise Service Tax Appellate Tribunal, Bangalore
		82.26	2005-06 to 2007-08	Commissioner, Hyderabad
Total		<b>1,182.05</b>		

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	253.83	2007-08 to } 2008-09	Customs Excise Service Tax Appellate Tribunal, Chennai
		3,675.18	2003-04 to } 2012-13	Customs Excise Service Tax Appellate Tribunal, Bangalore
Total		<b>3,929.01</b>		
The Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	7.31	1997-98	High Court of Andhra Pradesh
		313.29	2005-06 } 2006-07 } 2007-08 } 2008-09 }	Sales Tax Appellate Tribunal, Telangana
		90.38	2008-09 } 2009-10 } 2010-11 } 2011-12 }	Appellate Deputy Commissioner, Telangana
		35.12		
		39.49		
		228.97		
The West Bengal Value Added Tax, 2003	Sales Tax	14.81	2009-10	Sales Tax Appellate Tribunal, West Bengal
The Delhi Value Added Tax, 2004	Sales Tax	14.68	1993-94	Sales Tax Appellate Tribunal, New Delhi
		1,273.69	2008-09 } 2009-10 } 2010-11 } 2012-13 }	Commissioner (Appeals), New Delhi
The Kerala Value Added Tax, 2003	Sales Tax	213.88	2007-08	High Court, Kerala
Total		<b>2,231.62</b>		

(c) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, during the year ended 31st March, 2015, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

viii. The Company do not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers.

The Company did not have any outstanding dues to any financial institution or debenture holders during the year.

x. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.

- xi. The company has not availed term loans during the year. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Umamaheswara Rao & Co.,**  
Chartered Accountants  
Firm Registration No. 004453S

*G. Koteswara Rao*

**(CA. G. Koteswara Rao)**  
Partner  
Membership No.226795

Place: Mumbai  
Date : 29-07-2015

Statement showing Legal cases pending (along with amount involved) before various forums as at year end 31-03-2015 – Age-wise.							Schedule-I	
S.No	Details			Party	Claim against ECIL	Claim by ECIL	Remarks	
a) Less than 1 year								
01	HC AP	WP	7128	2015	ECIL Vs ALC (Central) & Others	Claiming gratuity at ceiling of ₹. 10 lakhs w.e.f. 1.1.2007 instead of ₹. 3.5 lakhs by some employees retired between 1.1.2007 to 30.4.2010	NIL	Case pending
02	Dist Court, Tirupati	Appeal	In OS 1268/05	2015	R Venkataratnam Vs ECIL	Alleging illegality in construction of compound wall at Tirupati	NIL	Case pending
03	Dist Court, Dantewada	OS	3-9	2015	Election candidates in Municipal election Dantewada	Alleging lapses in conduct of Election by ECI	NIL	Cases pending
04	HC, Bilaspur	WP	135	2015	Rajkumar Soni	Alleging lapses in conduct of Election by ECI	NIL	Case pending
05	HC, AP	WA		2015	G. Siva Vs ECIL	Seeking backwages. Settlement already made by the Company	NIL	Case pending
06	HC, AP	CC	298	2015	Sudha Rani (Ex-employee)	Seeking backwages. Settlement already made by the Company	NIL	Case pending
07	HC, AP	CC	328	2015	Swarna George (Ex-employee)	Seeking backwages. Settlement already made by the Company	NIL	Case pending
b) 1 year to less than 3 years								
01	LC Hyd	ID	40	2014	I. Sharangowda	Ex-Artisan(c) – sought regularization	NIL	Case pending
02	HC AP	WP	23769	2014	J Laxmaiah	Seeking appointment to the post of Tr'man (B)	NIL	Case pending
03	HC AP	CC	1643	2014	G. Siva Vs ECIL	Seeking gratuity. Payment kept ready uncollected by Petitioner.	NIL	Gratuity amount already kept ready for payment

(Schedule-I Contd...)



S.No	Details				Party	Claim against ECIL	Claim by ECIL	Remarks
04	HC Karnataka	WP	3316-19 3428-31	2013	Karnataka Nondni Vs St of Kntk	NIL	NIL	Seeking quash of tender
05	HC AP	WA	00385	2013	Directorate of Factories, AP	NIL	NIL	Against WP 15088/ 2000-Factory license
06	SC Del	SLP	14889	2013	APIIC Vs ECIL	NIL	NIL	Sought Cancellation of sale deed
07	HC Del	OS	00193	2013	Millennium Automation Systems	₹ 55,45,697 + interest @ 12% pa From 1-4-2013	NIL	Claim for Refund of LD
08	HC Del	OS	1975	2013	CWG organising Committee	NIL	₹ 2.45 Crores	Claim of dues pertaining to Porta Cabins (CWG) by ECIL
09	HC AP	WP	33169	2013	Lucky Contractors (MPA)	NIL	NIL	Manpower Agency – seeking to consider its bid
10	HC AP	WP	02318	2012	M Vijay Kumar & another	NIL	NIL	Ex-Artisans (C)- Recruitment
11	HC AP	WP	10894	2012	U Madhu Kumar	NIL	NIL	Seeking change of date of birth
12	HC AP	WP	23844	2012	CHKVSarma & 16 others	Differentials in VL considering 26 days A month	NIL	Already under implementation as per policy decision
13	HC AP	WP	23878	2012	Anji Reddy S & 52 others	Claiming ₹ 10 lakhs Gratuity wef 2007	NIL	ECIL claimed no liability for the period between 2007-2010 as per Act
14	HC AP	WP	32110	2012	Vishnu Murthy M & 13 others	Claiming ₹ 10 lakhs Gratuity wef 2007	NIL	-Do-
15	HC AP	WP	37156	2012	S S Sonwalkar	Payment of Gratuity	NIL	
16	DJ RRDIST	OP	27,36,99	2012	Hara Industries	₹ 15,74,197 + interest @ 12% (₹ 1,84,356 + interest from 13-7-2009 & ₹ 13,18,850 + interest From 20-03-2010 & ₹ 70,991 + Interest from 21-12-2009)	NIL	MSME contractor- claiming Interest on delayed Bills

(Schedule-I Contd...)

S.No	Details				Party	Claim against ECIL	Claim by ECIL	Remarks
	PMA Arbn	Arbn	27 cases	2012				
17	HC Karnataka	RFA	01217	2012	CWG-2010 Arbitration cases	In 26 disputes the vendors have Preferred Counter Appeals	₹ 1,57,60,73,554	Recovery of dues by ECIL
18	Dist Court, Gadchiroli	CA	52	2012	Vs . Panchapageshan	NIL	Irregularities in accounts- dues recovery	ECIL Filed Appeal against OS No.5030/1987
19					M D Popat Vs ECIL	Octroi agent claiming octroi dues of ₹ 1,31,000.	NIL	Case pending
<b>c) 3 years to less than 5 years</b>								
01	HC AP	WP	19375	2011	ECIL EU	NIL	NIL	Union Office facility
02	HC AP	WP	19523	2011	ECIL EU	NIL	NIL	Claiming check off
03	HC AP	WP	20088	2011	A Bhaskar Rao & 53 Ors	NIL	NIL	Artisans (C) regularisation
04	RRDC Hyd	OS	00380	2011	Ramsarup Ind Ltd, Kolkata	NIL	₹ 86.69 lakhs	Recovery of dues
05	HC AP	WA	00961	2011	K Narender Rao	NIL	NIL	Bogus SC/ST case
06	HC Delhi	OMP	667	2011	DTC	NIL	₹ 68,16,590	Seeking set aside of Arbn award by DTC
07	Dte Edn, Delhi	Arbn	00001	2011	Dte Education , Delhi	₹ 34,17,348	₹ 1,51,06,242	Recovery of dues by ECIL
08	DC, Rajasthan	OS	00382	2011	Mamta Gurjar Vs Rajasthan state	₹ 53,53,427	NIL	Claiming dues from Govt of Rajasthan & ECIL (Respondent No.6)
09	HC AP	WP	33445	2010	V Ramaswamy	NIL	NIL	Bogus SC/ST case
10	LC Hyd	LCID	00048	2010	E Yadagiri	NIL	NIL	Re-instatement in service

(Schedule-I Contd...)

S.No	Details				Party	Claim against ECIL	Claim by ECIL	Remarks
d) 5 years and more than 5 years								
01	HC AP	WP	9634	2009	V Komaraiah	NIL	NIL	False SC/ST case
02	HC AP	WP	22483	2009	Ch Venkamma	Leave Salary payment	NIL	Claim of leave encashment against sick leave
03	DJ, Hyd	OS	00834	2009	HDFC	₹ 1,26,336 + Interest @ 12% from 1-4-2009	NIL	Claim from ECIL being Surety for housing loans to employee in year 1991
04	HC AP	WP	3695 & 3701	2009	ECEU & ECOA	Differentials in VL considering 26 days A month instead of 30 days	NIL	Already under implementation as per policy decision
05	HC AP	WP	09634	2009	V Komaraiah	NIL	NIL	Bogus SC/ST case
06	HC AP	WP	5345	2009	Hanumantha Rao S	NIL	NIL	EX-D(P) Seeking Reinstatement. Retired
07	HC, Indore	Arbn	00034	2009	NICT, Indore	NIL	₹ 97 lakhs	Recovery of dues
08	Tis Hazari	OS	141	2009	Surender Rastogi (SEC Engrs)	₹ 3,16,000 + interest @ 18% from 4-11-2007	NIL	DMRC project- claiming dues against ECIL
09	HC AP	WP	05439	2008	Datapro Info World Ltd	NIL	NIL	Computer project Tender
10	HC AP	WP	10564	2008	Vs GV Ramana	₹ 1,96,712	NIL	Claiming Over Time wages
11	HC AP	WP	20019	2008	K Shyam	NIL	NIL	Bogus SC/ST Case
12	HC AP	WP	21582	2008	V Komaraiah	NIL	NIL	Bogus Certificate case
13	HC AP	WP	17254	2008	Vs ESIC	ESI Contributions dues ₹ 2,34,69,024 + interest @ 12% From 1-8-2008	NIL	-

(Schedule-I Contd...)

S.No	Details				Party	Claim against ECIL	Claim by ECIL	Remarks
14	HC AP	WA	00886	2008	Vs ESIC			
15	HC AP	WA	00928	2008	ESIC			
16	HC AP	WP	25254	2007	PN Ranga Reddy	NIL	NIL	Removal from service
17	HC AP	WP	28260	2007	Y Brahmaiah	NIL	NIL	Bogus SC/ST Certificate
18	HC AP	WP	19646	2006	P Prakash	NIL	NIL	Bogus SC/ST Certificate
19	HC AP	WP	22667	2006	P Prakash	NIL	NIL	Seeking retirement benefits
20	IT Hyd	LCID	00052	2006	M Bhaskara Chary	NIL	NIL	Regularisation of service
21	HC AP	WA	01139	2006	S Satyanarayana(Died)	NIL	NIL	Regularisation of service
22	HC AP	WP	16764	2005	N Vijaya Kumar	NIL	NIL	Bogus SC/ST case
23	HC AP	WP	23386	2005	V Sreenivasan & 1	NIL	NIL	Regularisation
24	LC ID	ID	00074	2005	M Chandrasekhar	NIL	NIL	Regularisation of service
25	HC AP	WP	07218	2004	C Chandrika	NIL	NIL	Bogus SC/ST Certificate
26	HC Madras	WP	13003	2004	AS Sastry	NIL	NIL	Transfer case
27	HC AP	WP	13866	2003	V Ramaswamy	NIL	NIL	Bogus SC/ST case
28	HC AP	WP	14799	2002	SK Sinha	Differentials in VRS	NIL	-Do-
29	HC AP	WP	20274	2002	L Govindarajulu & 11 Ors	NIL	NIL	Seeking options A & B in promotion to officer

(Schedule-I Contd...)

S.No	Details				Party	Claim against ECIL	Claim by ECIL	Remarks
	HC AP	WP	16056	2001				
30					MSK Prasad	Differentials in VRS	NIL	All dues settled by ECIL. In similar Case WP 19053/2001 High Court dismissed Case in ECIL favour
31	HC AP	WP	26808	2001	SLN Chary	Differentials in VRS	NIL	-Do-
32	HC AP	AS/OS	00110	1999	Utkal Galvanizers	Decree against ECIL.	NIL	₹ 5,42,444 + interest @ 12% pa from 1-1-1999
33	HC AP	WP	21094	1998	Komaraiah V	NIL	NIL	False SC/ST certificate case
34	Civil Crt,BBY	OS	2479	1996	KSRK Prasad (Thru legal heirs)	NIL	Defalcation – recovery of dues by ECIL	



## ADDENDUM TO DIRECTORS' REPORT

### Company's reply to observation of Statutory Auditors in their Audit Report

Auditors' Observation	Company's Reply
The balances appearing under Trade Receivables, Sundry Creditors, Advances to Suppliers and Advances from Customers include certain amounts which are long outstanding. Pending confirmations, reconciliations and consequent adjustments, if any, of such balances, the impact of the same on the Statement of Profit and Loss and Balance Sheet, is not quantifiable.	Present review mechanism will be strengthened for reviewing the long outstanding dues. Confirmation of balances for customers/suppliers will be sent for the balances outstanding as on 30th September as per the existing practice and will be followed up.

For and on behalf of the Board of Directors



**(P.SUDHAKAR)**

Chairman & Managing Director

Place : Hyderabad

Date : 16.09.2015

## Annexure-F

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ELECTRONICS CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Electronics Corporation of India Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.07.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Electronics Corporation of India Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the  
Comptroller & Auditor General of India**

Place: New Delhi  
Date: 2.09.15

  
(Dr. Ashutosh Sharma)  
Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-IV



INS Industrial Excellence Award for the year 2013 conferred on ECIL by the Indian Nuclear Society in recognition of its outstanding contribution to Department of Atomic Energy



Release on Postal Cover on Dr. AS Rao by Shri M. Venkaiah Naidu, Hon'ble Union Minister for Urban Development, Government of India





**इलेक्ट्रानिक्स कारपोरेशन आफ इंडिया लिमिटेड**  
**Electronics Corporation of India Limited**

**भारत सरकार (परमाणु ऊर्जा विभाग) का उद्यम**

**A Government of India (Department of Atomic Energy) Enterprise**

**ई सी आई एल पोस्ट / ECIL Post, हैदराबाद/ Hyderabad - 500062**

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