



Generate, Measure & Manage Energy

Annual Report 2014

ADVANCE METERING TECHNOLOGY LIMITED

**driving
innovation
and life**

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

Despite the weak economic conditions and slow growth of the economy, your company has been able to achieve a good growth. This was the 2nd year of the Company's commercial operations and it has been quiet challenging for the Company. The meter division of the Company is pacing towards faster growth and has able to achieve a decent turnover during the period. The Wind Power has performed well during the year. The Energy Audit division of the Company has created a niche for itself in the Energy Audit Sector in India and it has undertaken numerous projects in the Industrial as well as the Hospitality Sector.



With appropriate strategies and their effective implementation, your Company is well on course to improve its performance. We believe that the actions of the Company are suitable to deal with the business challenges as we see them today.

Your Company has been continuously focusing on all round cost reduction in different areas of operations to achieve savings and gains in the performance of Company. Continued focus on providing the high quality, world class products, flexibility and agility are perceived as the mantras of your Company to win in a competitive environment.

As we look to the future, we believe that we will be operating in a demanding and challenging environment. To remain competitive in a challenging and demanding environment, the benchmark has to be high in anticipation of the stated and unstated needs of the customers and markets.

Your company will continue to build on its strengths through strong systems and processes, competitiveness, ability to adapt to changes quickly while awaiting the widely expected revival in the fortunes of the Indian economy.

Knowledge, specialization, innovation and networking will determine the success of the Company in this environment. I am expecting a stronger year ahead. The overall strategy of your Company will be driven by its strengths and competencies.

My special thanks and appreciation to all the stakeholders for their continued support as we embark on another year.

P. K. Ranade
Chairman and Managing Director

CORPORATE INFORMATION

Board of Directors

Mr. P.K. Ranade
Chairman & Managing Director

Mr. Vikram Ranade
Executive Director

Mr. Prashant Ranade
Executive Director

Independent Director

Mr. R.C. Bansal
Mr.A.K. Ghosh
Dr. G.B. Rao

Registered office:

Flat No. 207, Modi Tower, 98 Nehru Place,
New Delhi-110019

Corporate office:

B-189, Noida Phase II,
Noida - 201305

Stock Code

National Stock Exchange: AMTL
Bombay Stock Exchange: 534612

Senior Executives

Mr. Rakesh Dhody
AVP (Corporate Affairs) & Company Secretary

Mr. Ravinder Singh
Chief Finance Officer

Auditors

M/s S.S. Kothari Mehta & Co.146-149,
Tribhuvan Complex Ishwar Nagar, Mathura Road
New Delhi -110065

Registrar & Transfer Agent

M/s Alankit Assignments Limited
2E/21, Jhandewalan Extension
New Delhi 110055
Tel. (011)-42541234, 23451234
Fax. (011)-42541967
E-mail: jksingla@alankit.com

Bankers

ICICI Bank, HDFC Bank, Barclays Bank,
State Bank of India, HSBC Bank, Kotak Mahindra

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DIRECTORS' REPORT

Dear Shareholders,

We take pleasure in presenting the Third Annual Report together with Audited Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS: (STANDALONE)

Particulars	2013-14 Amount (Rs. In Lacs)	2012-13 Amount (Rs. In Lacs)
Total Income	2025.71	1320.15
Total Expenditure	2829.82	1533.24
Profit/Loss before Exceptional and Extraordinary Items and Tax	(804.10)	(213.09)
Exceptional Items	(570.80)	(63.40)
Extraordinary Items	Nil	Nil
Profit before Tax (PBT)	(1374.91)	(276.49)
Current Tax	Nil	Nil
Deferred Tax	(7.56)	(281.85)
Profit/Loss for the year	(1367.3)	5.36

OVERVIEW AND REVIEW OF OPERATIONS

The Power Generation and the metering division of the Company have witnessed many challenges during the year, despite the various challenges faced by the Company; the company was able to achieve a turnover of 14.80 Crores as compared with that of 6.83 crores in the previous financial year. The power generation industry also witnessed various challenges like the wind fluctuations, thefts and maintenance issues due to which the generation by the Wind Power projects has witnessed a downfall.

The industry has been also reeling under the pressure of rising input costs. The prices of key materials have soared. Though imported raw material has seen some easing in cost pressure due to decline in the price has been offset to some extent by rupee depreciation.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges relating to corporate governance.

The Compliance report is provided in the Corporate Governance section of the Annual Report. The Auditor's Certificate on compliance with the provisions of Clause 49 of the Listing Agreement is given in **Annexure I** to this report.

SUBSIDIARY COMPANIES

As at 31st March 2014, the Company has three wholly owned Subsidiaries namely PKR Energy Limited, Advance Power & Trading, Gmbh and Global Power & Trading (GPAT) Singapore. Apart from the wholly owned subsidiaries, the Company has one subsidiary namely R.S. Infosystems Private Limited

The Ministry of Corporate Affairs, Government of India, vide General Circular dated 8th February 2011 and 21st February 2011 has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular for non-inclusion of Subsidiary Companies" Annual Report with the Annual Report of the Holding Company. The Company has satisfied the conditions stipulated in the circular and hence has availed the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

The Company undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholder at the Corporate office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

JOINT VENTURE:

The Company holds 20% share in Saudi National Lamps and Electricals Company Limited (SANLEC) which was vested into the Company pursuant to the De-Merger scheme of arrangement of Eon Electric Limited and Advance Metering Technology Limited. SANLEC has not made any profit since inception and the Net Worth of the Company has turned out to be negative and keeping in view the losses and the liabilities the Company has written off value of receivables and Investments, subject to the approval of the Reserve Bank of India.

The Results of the Joint Venture have not been consolidated in the Consolidated Financial Statements as the receivables and investments have been written off completely.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards and the provisions of the Listing Agreement with the stock exchange and form part of the Annual Report.

SIGNIFICANT EFFECTS AFTER BALANCE SHEET DATE:**Sale of Investments in R.S. Infosystems Private Limited:**

In order to focus on its core business, the company has disposed off the 51% shareholding in R.S. Infosystems Private Limited.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conversion of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to section 217(1)(e) of the Act read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in **Annexure 'A'** to this Report.

PARTICULARS OF EMPLOYEES

Your Company has not paid any remuneration attracting the provisions of the Companies Act (Particulars of Employee) rules, read with section 217(2A) of the Companies Act, 1956. Hence no information is to be appended to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present your Company's financial conditions and results of operations.

Your Directors confirm that:

- i. In the preparation of the Annual Accounts, applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. The accounting policies selected have been applied consistently and judgments and estimates are made that are reasonably and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2014 and its loss for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Company and for preventing and detecting frauds and other in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities.
- iv. The Annual Accounts of your company have been prepared on a going concern basis.

DIRECTORS

Dr. Sai Ramachandran resigned from the Board of your Company with effect from 22nd July, 2013. The Board places on record its deep appreciation for the services rendered by Dr. Sai Ramachandran during his tenure as Member of the Board.

Mr. Bhaskara Rao Govindaraju was appointed Additional Director designated as Independent Director w.e.f. 2nd August, 2013 and he holds office upto the date of the ensuing Annual General Meeting. Mr. Bhaskara Rao Govindaraju has not offered himself for appointment, and as such he holds office upto the ensuing Annual General Meeting of the Company.

As on date of this report, Dr. G.B. Rao, Mr. R.C. Bansal and Mr. A.K. Ghosh are Independent Directors as per clause 49 of the Listing agreement and were appointed under the Companies Act 1956 as directors liable to retire by rotation.

In order to give effect to the provisions of section 149 and 152 of the Companies Act 2013, it is proposed that Mr. R.C.

Bansal and Mr. A.K. Ghosh be appointed as Independent Directors, to hold office for five consecutive years, for a term upto conclusion of the 8th Annual General Meeting of the Company in the calendar year 2019.

In terms of the Companies Act 2013 ('Act') Independent Directors are required to be excluded while computing the number of directors to retire by rotation. In terms of section 152 of the Companies Act, 2013 Mr. Prashant Ranade, Whole Time Director will be liable to retire by rotation, and he being eligible to be re appointed he offers him selves for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49 of the Listing agreement, the management Discussion and Analysis is presented in a separate section, forming a part of the Annual Report.

CHANGE OF REGISTERED OFFICE

The Shareholders at the last Annual General Meeting held on 2nd August 2013 had approved the shifting of the Registered office from the State of Haryana to the National Capital Territory of Delhi. After receipt of the approval of the Regional Director, Ministry of Corporate Affairs, the Board at its meeting held on 30th April 2014 has approved the Situation of the Registered Office at 207, Modi Tower, 98 Nehru Place, New Delhi-110019

FIXED DEPOSITS

The Company has not accepted any fixed deposit from the public during the year under review.

AUDITORS

M/s S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of your Company from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi to the effect that their re-appointment, if made, would be within the limit prescribed under Section 141 (3) (g) of the Companies Act, 2013 and they are not disqualified for such appointment.

Pursuant to the provisions of Section 139 of the Companies act 2013, and the rules framed there under, it is proposed to appoint S. S. Kothari Mehta & Co., Chartered Accountants, as statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 5th AGM to be held in the Year 2016, subject to ratification of their appointment at every AGM.

COST AUDITORS

As per the Ministry of Corporate Affairs circular dated 2nd May 2011 and pursuant to Section 233B of the Companies Act, 1956 M/s H Tara & Co., Cost Accountant were appointed as the Cost Auditors to conduct the cost audit of the Company relating to Energy Meters and Generation of Power for the financial Year ended on 31st March, 2014. The Cost Audit report for the Financial Year 2012-13 was filed in XBRL mode with the Ministry of Corporate Affairs on 27th September 2013.

ACKNOWLEDGEMENT

Your Directors express their deep sense of gratitude to the Banks, Financial Institutions, Stakeholders, Business Associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on Behalf of the Board of Directors

P. K. Ranade
Chairman and Managing Director

Place : Noida
Date : 4th August, 2014

ANNEXURE TO THE DIRECTORS' REPORT**ANNEXURE 'A'****(UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956)****Disclosures:****A. CONSERVATION OF ENERGY****a) Energy conservation measures taken:**

AMTL continues to work towards the implementation and development of Energy saving projects as a part of its commitment to promote green and environmentally friendly technologies, your company has successfully been able to reduce its energy consumption the past months by adopting several energy saving measures and practices at the Corporate office viz:-

Installation of LED Lights.

Installation of Solar Roof Photovoltaic Panels .

Thermocal Insulation over the ceilings to reduce solar heat gain.

The company beliefs in the use of the Renewable sources of Energy and has installed Wind power projects for power generation. The Company has a separate vertical for Energy Audit Business which is continuously involved in focusing on the energy management and close monitoring of the Energy consumption pattern as a result of which a reduction of 26 % has been witnessed at the corporate office of the Company by adopting efficient energy conservation measures.

B. TECHNOLOGY ABSORPTION**RESEARCH AND DEVELOPMENT (R & D)****1. Specific areas in which R & D carried out by the Company**

Research and development activities are mainly carried out in the Metering division to develop SMART Energy meters

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

The Company with the help of the R & D has been able to develop high quality energy meters with improved product quality & reliability and reduction in the cost of the meters.

3. Future plan of action

To continue efforts for improving product quality and introduce more technically advanced meters.

4. Expenditure on R & D

The expenses that are being incurred on R& D activity forms part of the meters division of the company and as such the expenditure incurred on it cannot be ascertained separately.

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts, in brief, made towards technology absorption, adaptation and innovation.**

Continuous efforts are being made to improve the productivity and reduce the usage of raw material, power and electricity consumption.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The company has been able to compete in the market with the help of the R & D

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :**a. Technology Imported: NIL****b. Year of Import: NIL****c. Has technology been fully absorbed? NIL**

If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action: NA

FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange outgo for the year 2013-14 was Rs. 2, 74, 39,493.00/- and previous year Rs. 50, 53,239.00/-.

For and on Behalf of the Board of Directors

P. K. Ranade
Chairman and Managing Director

Place : Noida

Date : 4th August, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

India's GDP grew by 4.7 % in the FY 2013-14 as compared to 4.5 % in the FY 2012-13. In the FY 2014-15 estimates are there that the GDP will be in the range of 5- 5.5 %. With the election of the New Government with majority in May 2014, it is expected that there will be a positive impact on the economy and the Manufacturing & Service sector will see a boom in the second half of the FY 2014-15.

The new Government has already indicated that its main priority is to get back the economy on track and to control the current inflationary trend. The Budget also indicates that the Government is open to the increased Foreign Investments in various sectors. The recent clearance of a number of stalled projects has boosted the present economic growth to some extent.

INDUSTRY OVERVIEW

Power Generation

As on 31st March 2014 the installed capacity of Renewable Energy in India was 31,707 MW in which wind comprised of 66.66 % of the total renewable energy installed capacity.

During the year under review, 2083 MW Wind Power projects have been set up contributing to 57 % of the total renewable capacity installed during the year, whereas solar's contribution was 26 % (962.1 MW) during the year.

In the General Budget of 2014-15, the new Government has announced various initiatives for strengthening the power sector and has also focused on the development of the renewable energy by providing various subsidies and incentives.

Meters

India is estimated to install 130 million smart meters by 2021 but progress could be stalled by significant infrastructural development and capacity building issues. "Reduction in commercial losses is one of the principal advantages of using smart metering, particularly of relevance for India, which arguably has the highest AT & C losses in the world at about 28%," Certain government initiatives are leading the way towards metering smartly in the country.

Energy Audit

The Energy Audit Services industry in India is in its nascent stage as compared with those in other nations. The U.S. Agency of International Development was instrumental in setting up of Energy Audit Services industry in India. From a humble beginning of 3 Energy Audit Services industry in the early 1990s, the country has witnessed the growth in the number of Energy Audit Services Companies to 114 today of which 25 new companies were accredited in 2010-11. The Bureau of Energy Efficiency has also mandated the energy Audits in some industries.

COMPANY OVERVIEW

Advance Metering Technology Limited ('the Company' or 'AMTL') operates business in the Renewable Power generation, Production of energy meters and Energy Audit Business. The company is in the starting phase of the Business and is slowly creating a name for itself in the market.

Power Generation

During the year under review, the power generation business of the Company has not been upto the mark, due to various reasons like the wind speed, local weather conditions and thefts at the site. These all conditions have resulted in the decrease in the generation. The company has at present an installed capacity of 11.7 MW and the Company is in the process of setting up a 10 MW solar power project in the current year.

Meters

With the increase in the demand of Smart Electric Meters, the company has been able to develop highly energy efficient meters to keep pace with the rapidly changing technical requirements of end users, mainly, power distribution companies. Most distribution companies have unique needs, which compel companies to offer tailor-made products. The Company with its highly developed Research and Development Division is geared up to meet the varied need of the smart meters required by the distribution companies. Accelerated industrialization coupled with a growing focus on energy conservation will give a further flip to the meter division of your Company.

Energy Audit

Advance Metering Technology Ltd was founded in 2011 and since then it has established a niche for itself in the Energy Audit sector in India. The Energy Audit vertical of the company has undertaken numerous projects in the Industrial as well as Hospitality Sector's. Projects undertaken under Industrial sector cover all the major categories i.e. Automotive, FMCG, Chemical, Steel, Paper and Pulp, Textile etc.

The issue of energy consumption has been a growing interest across all industry sectors not only because of its immediate impact on production costs but also because of its considerable impact on environmental sustainability. In comparison with the previous year, energy usage at the corporate office, the Company has attained a reduction of 26 % in the energy consumption.

INTERNAL CONTROL SYSTEM:

The Company has a sound Internal Control system, which provides protection to all its assets against loss from unauthorized use and for correct reporting of transactions. The Internal Control systems are further supplemented by Internal Audit carried out by an Independent firm of Chartered Accountants and periodical review by the management. The Audit Committee of the Board addresses issues raised by the Internal & Statutory Auditors.

HUMAN RESOURCES

Your Company believes that Human Resources play a very critical role in its growth. Your management has infused a lot of rigor and intensity in the people development processes and in honing skill sets. Various initiatives have been launched to provide growth opportunities to employees and stem attrition. For the development of the employees, your Company has created a structured training framework to ensure their ongoing education.

The Group's Corporate Human Resources function has played and continues to play an integral role in your Company's Talent Management Process.

Your Company's basic objective is to ensure that robust talent pipeline and a high-performance culture, centered around accountability is in place. Your Company feels this is critical to enable it retain its competitive edge.

Cautionary statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, may be the 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ from those express or implied.

Annexure 'I' of the Directors' Report**REPORT ON CORPORATE GOVERNANCE**

The Company's Directors continue to be committed to the highest standard of corporate governance practices in their management of the Company's affair and accountability to the stakeholders.

(Pursuant to Clause 49 of the Listing Agreement)**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Corporate governance refers to the system and policies that influence a corporation's administration. It involves regulatory and market mechanism, and the roles and relationships between the company's management, board, shareholders and other stakeholders.

Corporate Governance at Advance Metering Technology Limited is a continuing process. The Company is committed to the adoption of best governance practices and their adherence at all time.

Your Company continuously strives to achieve excellence in corporate governance through its values- integrity, commitment, passion, seamlessness and speed.

In terms of Clause 49 of the Listing Agreement executed with stock exchange, the details of compliance are as follows:

I. BOARD OF DIRECTORS**Composition**

Your Company's Board comprised of six directors as on 31st March, 2014.

Presently, the Board consists of One Managing Director, Two Whole Time Director and Three Independent Directors which duly complies with the requirement of Clause 49 of the Listing Agreement. Mr. G.B. Rao was appointed as a Additional Director on 2nd August 2013 and he holds office till the ensuing Annual General Meeting. He has not offered himself for appointment and accordingly would cease to hold office on the conclusion of the ensuing Annual General Meeting

Four meetings of the Board were held during the year ending 31st March 2014, on Monday 20th May 2013, Friday 2nd August 2013, Monday 28th October 2013, and Tuesday 4th February 2014.

The composition of the Board and the number of outside directorship held by each of the directors is given in the table below

Name of Director	Executive/ Non- Executive/ Independent*	No. of Board Meeting held during the financial year 2013-14	No. of Board Meeting attended during the financial year 2013-14	No. of Directorship in other companies**		Number of Committee*** position held in other public limited companies		Director's Share- holding
				Chairman of the Board	Board Member	Audit Committee	Investors' Grievances Committee	
Mr. P.K.Ranade	Chairman and Managing Director	4	4	1	1	1	Nil	8,31,708
Mr. Vikram Ranade	Executive Director	4	4	Nil	1	Nil	Nil	6,44,616
Mr. Prashant Ranade	Executive Director	4	4	Nil	1	1	Nil	6,44,615
Mr. R. C. Bansal	Independent Director	4	2	Nil	3	1	1	800
Mr. A.K. Ghosh	Independent Director	4	4	Nil	3	1	Nil	Nil
Mr. Bhaskara Rao Govindaraju	Independent Director	4	0	Nil	5	1	1	Nil

Mr. P K Ranade, Mr. Vikram Ranade, Mr. Prashant Rande, Mr. R. C. Bansal and Mr. A. K. Ghosh Directors of the Company attended the Last Annual General Meeting held on 2nd August 2013.