



HPL Electric & Power Ltd.

Corporate Office :
1/21, Asaf Ali Road, New Delhi-110002 Ph.: +91-11-23234411
Fax : +91-11-23232639 E-mail : hpl@hplindia.com
Website : www.hplindia.com
CIN No. : U74899DL1992PLC048945

BOARD'S REPORT

Dear Members

Your Directors have pleasure in presenting the 24th Annual Report of your Company together with the Audited financial Statements for the financial year ended 31st March, 2016.

1. Financial Highlights

The financial performance of your Company for the year ended 31st March, 2016 is summarized below:

Particulars	Amount (Rs. in Lacs) (on standalone basis)	
	FY 2015-16	FY 2014-15
Net Sales	111526.25	104511.16
Other Income	485.56	472.06
Total Revenue	112011.81	104983.22
Total Expenditure	107129.79	100626.85
Profit before tax	4882.02	4356.36
Provision for tax	1177.78	920.13
Profit after tax	3704.24	3436.24
EPS (Basic & Diluted) (Rs.)	7.98	7.40
Proposed Dividend	46.23	18.57
Transfer to Reserve	150.00	150.00
Paid-up Share Capital	4642.92	1857.18
Reserves and Surplus (excluding revaluation reserve)	30885.14	30022.53

2. Year in Retrospect

During the year under review, total income of the Company was Rs. **112011.81 Lacs** as against Rs. **104983.22 Lacs** in the previous year. The Company was able to earn a profit after tax of Rs. **3704.24 Lacs** in the current financial year as against a profit after tax of Rs. **3436.24 Lacs** in the financial year 2014-15. Your Directors are putting in their best efforts to improve the performance of the Company.



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3. Proposed Initial Public Offer (IPO)

The Company has filed a Draft Red Herring Prospectus (DRHP) with the Securities & Exchange Board of India (SEBI), BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) for proposed IPO by the Company. The Company has already obtained the in-principle approval of BSE & NSE and also obtained the observation letter from SEBI for the proposed IPO.

4. Dividend

Your Directors are pleased to recommend a dividend of Re. 0.10 per equity share (1%) for the financial year ended March, 31, 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

5. Reserves & Surplus

The net movement in the major reserves of the Company for FY 2015-16 and the previous year (on Standalone Basis) are as follows:

(Rs. in
Lacs)

Particulars	FY 2015-16	FY 2014-15
General Reserve	2571.31	2421.31
Security Premium	4771.41	7557.16
Profit & Loss A/C (Cr.)	23542.42	20044.06
Total	30885.14	30022.53

6. Public deposits

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

7. Material Changes after the close of the financial year

Save as mentioned elsewhere in the report no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company – 31st March, 2016 till the date of this report.



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8. Subsidiaries/ Joint Ventures/ Associates

As on 31st March 2016, the Company is having two Joint Ventures (JVs) namely HPL Electric & Power Pvt. Ltd. – Shriji Designs (JV) and HPL Electric & Power Pvt. Ltd. – Trimurthi Hitech Co. Pvt. Ltd. - Shriji Designs (JV). These JVs are established as Association of Person (AOP) and not registered under the Companies Act and accordingly are not Associate Companies as per section 2(6) of the Companies Act, 2013.

The Company did not have any Subsidiary Company as on 31st March 2016. A statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or joint venture or ventures in Form AOC-1 is Enclosed as **Annexure-I**.

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year: Nil

After the close of the financial year, company's investment in the Debentures subscribed in Himachal Energy Private Limited was converted into equity shares and post conversion of 1,50,00,000 (one crore fifty lacs) debenture held by the Company in Himachal Energy Private Limited, the Company now hold 97.15% of the total equity share capital of Himachal Energy Private Limited. Accordingly, Himachal Energy Private Limited has become subsidiary of the Company. Himachal Energy Private Limited is engaged in the business of manufacturing of energy meters, kilowatt meters, trivector and multifunction meters and other related activities.

9. Change in the nature of business

There has been no major change in the nature of business of your Company. Further since there is no subsidiary, joint venture and associate company, there is no question for mentioning of change in nature of business of such companies.

10. Directors and Key Managerial Personnel and change therein

During the year under review, Mr. Lalit Seth was appointed as the Chairman & Managing Director of the Company. Mr. Rishi Seth and Mr. Gautam Seth were appointed as Joint Managing Directors. Mr. Chandra Prakash Jain and Mr. Vinod Ratan were appointed as Whole Time Directors. Further, the Company appointed Mr. Jatinder Singh Sabharwal, Mrs. Madhu Bala Nath, Mr. Tarun Sehgal, Mr.



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Jainul Haque and Mr. Virender Kumar Bajaj as Independent Directors of the Company.

The Company has ten directors with an Executive Chairman. Out of ten directors five are independent directors including one woman Director and five are Executive directors.

As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Rishi Seth (DIN 00203469) Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Lalit Seth, Chairman and Managing Director (CMD), Mr. Rishi Seth, Joint Managing Director (JMD), Mr. Gautam Seth, Joint Managing Director (JMD), Mr. Chandra Prakash Jain, Whole Time Director, Mr. Vinod Ratan, Whole time Director and CFO and Mr. Vivek Kumar, Company Secretary of the Company are the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder.

The details of the change in the Directors and KMPs during the year under review are as below:

S.N.	Name	Designation	Reason	Date of appointment
1.	Mr. Lalit Seth	Chairman and Managing Director	Appointment	January 21, 2016
2.	Mr. Rishi Seth	Joint Managing Director	Appointment	January 21, 2016
3.	Mr. Gautam Seth	Joint Managing Director	Appointment	January 21, 2016
4.	Mr. Chandra Prakash Jain	Whole Time Director	Appointment	January 21, 2016
5.	Mr. Vinod Ratan	Whole Time Director and Chief Financial Officer	Appointment	January 21, 2016
6.	Mr. Jatinder Singh Sabharwal	Independent Director	Appointment	January 14, 2016
7.	Mrs. Madhu Bala Nath	Independent Director	Appointment	January 14, 2016
8.	Mr. Tarun Sehgal	Independent Director	Appointment	January 14,



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				2016
9.	Mr. Jainul Haque	Independent Director	Appointment	January 14, 2016
10.	Mr. Virender Kumar Bajaj	Independent Director	Appointment	January 14, 2016
11.	Mr. Vivek Kumar	Company Secretary	Appointment	July 02, 2015
12.	Mr. Manoj Kumar Mishra	Company Secretary	Resignation	April 30, 2015

11. Declaration of Independency

All the Independent Directors of the Company have given their declaration that they continue to meet all the criteria as specified under Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" in the Company

12. Disclosure of commission paid to managing or whole time directors

There is no commission paid or payable by your company to the managing director or the whole time director.

13. Number of meetings of the Board of Directors

The details of the number of Board's meetings of your Company are as below:

Date of Board Meeting	No. of Director present	Name of Directors present
10.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
13.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
17.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
22.04.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
04.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
21.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
28.05.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
06.06.2015	3	Mr. Lalit Seth, Mr. Rishi Seth



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02.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
11.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
20.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
28.07.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.08.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
27.08.2015	3	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
02.09.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
15.09.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
24.09.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.10.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
08.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
10.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
27.10.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
05.11.2015	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Chandra Prakash Jain
16.11.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
10.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
14.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth



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15.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
24.12.2015	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
11.01.2016	3	Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
21.01.2016	10	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth, Mr. C.P Jain, Mr. Vinod Ratan, Mr. J.S. Sabharwal, Mr. Tarun Sehgal, Mrs. Madhu Bala Nath, Mr. Jainul Haque and Mr. V.K. Bajaj
04.02.2016	10	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth, Mr. C.P Jain, Mr. Vinod Ratan, Mr. J.S. Sabharwal, Mr. Tarun Sehgal, Mrs. Madhu Bala Nath, Mr. Jainul Haque and Mr. V.K. Bajaj

14. Committee of Board of Directors

The Board of Directors of the Company has constituted the following committees:

- (a) Corporate Social Responsibility Committee
- (b) Nomination & Remuneration Committee
- (c) Audit Committee
- (d) Stakeholder's Relationship Committee
- (e) IPO Committee

The terms of reference of the aforesaid Committee are set-out as **Annexure-II** to this Board's Report.

a. CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rule, 2014 the composition of the Corporate Social Responsibility Committee (CSR Committee) is as under:

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Sl. No.	Name of the Directors	Category
1	Mr. Lalit Seth	Chairman
2.	Mr. Rishi Seth	Director
3	Ms. Madhu Bala Nath	Independent Director
4	Mr. Jainul Haque	Independent Director

Mr. Vivek Kumar, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The details of the number of meetings held during the year under review of the CSR Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
21.01.2016	4	Mr. Lalit Seth, Mr. Rishi Seth, Mrs. Madhu Bala Nath and Mr. Jainul Haque

b. Nomination and Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the Rules framed thereunder, the composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. Jatinder Singh Sabharwal	Independent Director (Chairman)
2.	Mr. Tarun Sehgal	Independent Director
3.	Ms. Madhu Bala Nath	Independent Director

The details of the number of meetings held during the year under review of the Nomination and Remuneration Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
21.01.2016	3	Mr. J. S. Sabharwal, Mr. Tarun Sehgal and Mrs. Madhu Bala Nath



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c. Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the composition of the Audit Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. Tarun Sehgal	Independent Director (Chairman)
2.	Mr. V. K. Bajaj	Independent Director (Member)
3	Mr. J. S. Sabharwal	Independent Director (Member)
4	Mr. Gautam Seth	Executive Director

Mr. Vivek Kumar, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The Audit Committee was constituted on 21st January, 2016 and during the year under review there was no audit committee meeting held.

d. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rule framed thereunder the composition of the Stakeholders Relationship Committee is as under:

Sl. No.	Name of the Directors	Category
1	Mr. V. K. Bajaj	Independent Director (Chairman)
2.	Mr. Rishi Seth	Director
3	Mr. Gautam Seth	Director
4	Mr. V. R. Gupta	Director

The Stakeholders Relationship Committee was constituted on 21st January, 2016 and during the year under review there was no Stakeholders Relationship Committee meeting held.

e. IPO Committee

The Company has constituted an IPO Committee with the following composition:

Sl. No.	Name of the Directors	Category
1	Mr. Lalit Seth	Chairman & Managing Director



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2.	Mr. Rishi Seth	Joint Managing Director
3	Mr. Gautam Seth	Joint Managing Director
4	Mr. Vinod Ratan	Whole Time Director

The details of the number of meetings held during the year under review of the IPO Committee of your Company are as below:

Date of Meeting	No. of Director present	Name of Directors present
25.02.2016	4	Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Vinod Ratan

15. Conservation of Energy, Technology Absorption- To be Finalized

The information on conservation of energy and technology absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure-III**.

16. Related Party Transactions

Details of Related Party Transactions as per AOC-2 are provided in **Annexure-IV**.

17. Loans and investments

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- A. Details of investments made by the Company as on 31st March, 2016: As per the details in the audited annual financial statement.
- B. Details of loans given by the Company as on 31st March, 2016: As per the details in the audited annual financial statement.
- C. Details of guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder: Nil



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18. Extract of Annual Return

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in **Annexure-V**.

19. Corporate Social Responsibility(CSR)

In terms of Section 135 of the Companies Act 2013, the provisions related to the Corporate Social Responsibility are applicable on the Company. A report on Corporate Social Responsibility is enclosed in **Annexure-VI**.

20. Particulars of remuneration of Directors/ KMP/Employees

Details as per Section 197 of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure-VII**.

The Nomination and Remuneration Policy of the Company is enclosed and set out as **Annexure-VIII**.

21. Employees Stock Option Scheme:

Board of Directors and members of the Company has recommended an Employees Stock Option Scheme in the Company for the benefit of the Employees (referred as HPL Employees Stock Option Scheme 2016 (HPL ESOS 2016/ Scheme) to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance which will ultimately contribute to the success of the Company.

The relevant particulars relating to HPL ESOS 2016, in terms of Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014 are as below:

(a)	Options Granted	Nil
(b)	Options Vested	Nil
(c)	Options Exercised	Nil
(d)	Total number of shares arising as a result	Nil

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	of exercise of option	
(e)	Options Lapsed	Nil
(f)	Exercise Price	N.A.
(g)	Variation in the terms of Options	Nil
(h)	Money realized by exercise of options	Nil
(i)	Total number of options in force	Nil
(j)	Employee wise details of options granted to	
	(i) Key managerial personnel	Nil
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

22. Vigil mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Pursuant to Section 177(9) of the Companies Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

23. Auditors and auditors' report:

The Board, in terms of Section 139 of the Act, M/s. Sahni Mehra & Co., Chartered Accountants has been appointed as the statutory auditors of the Company till the conclusion of the AGM to be held in the year 2017. In terms of the provisions of the Companies Act, 2013, it is proposed to ratify the appointment of M/s. Sahni Mehra & Co. in the ensuing AGM.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any



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explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

24. Internal Control Systems and adequacy of Internal Financial Controls

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

25. Risk management

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment. Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as decided by the management.

There are no risks which in the opinion of the Board threaten the existence of your Company.

26. Cost Records and Cost Audit Report

Your Board of Directors has re-appointed M/s. Bikram Jain & Associates, Cost Accountants, (Firm Registration No. 101610) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the financial year 2016-17 in accordance with Section 148 and the Companies (Cost Records and Audit) Rules, 2014 after obtaining his consent and certificate under Section 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration payable to the Cost Auditor of the Company has been proposed for the ratification by the members of the Company and shall form part of the notice of the 24th Annual General Meeting.

27. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, M/s. AVA Associates, were appointed as



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the secretarial Auditors of the company to carry out the secretarial audit for the year ending 31st March 2016.

28. Secretarial Auditors Report

A secretarial Auditors Report given by the Secretarial Auditors in the Form No. MR-3 is annexed with this report as **Annexure – IX**.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Secretarial Auditors in their Secretarial Audit Report that may call for any explanation from the Directors.

29. Significant/material orders passed by the regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

30. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a 'going concern' basis; and



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- e. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

31. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition And Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in HPL Electric & Power Limited premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is Internal Complaint Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate office as well as at site locations.

During the year ended 31st March, 2016, the ICC has not received any complaints pertaining to sexual harassment.

32. Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For HPL Electric & Power Limited

Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date: 4th June, 2016
Place: Gurgaon

ANNEXURE-I TO THE BOARD'S REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	N.A.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	N.A.
5.	Reserves & surplus	N.A.
6.	Total assets	N.A.
7.	Total Liabilities	N.A.
8.	Investments	N.A.
9.	Turnover	N.A.
10.	Profit before taxation	N.A.
11.	Provision for taxation	N.A.
12.	Profit after taxation	N.A.
13.	Proposed Dividend	N.A.
14.	% of shareholding	N.A.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	HPL-Shriji Designs (JV)	HPL-Shriji-Trimurthi Hitech Company Pvt.Ltd. (JV)
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016

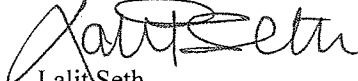
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	N.A.	N.A.
Amount of Investment in Associates/Joint Venture (Rs.)	13,402,429	34,951,994
Extend of Holding%	97	94
3. Description of how there is significant influence	Company is holding 97% of the ownership interest	Company is holding 94% of the ownership interest
4. Reason why the associate/joint venture is not consolidated	N.A.	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet(Rs.)	(4,246,002)	(5,991,652)
6. Profit/Loss for the year(Rs.)		
i. Considered in Consolidation	(854,836)	(3,404,795)
ii. Not Considered in Consolidation	N.A.	N.A.

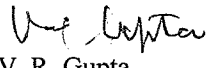
1. Names of associates or joint ventures which are yet to commence operations. - NIL


2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

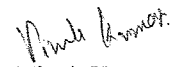
Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

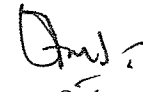
For and on Behalf of the Board

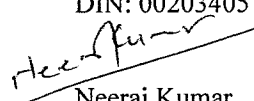

Lalit Seth
Chairman and Managing Director
DIN: 00312007


V. R. Gupta
Director & CFO
DIN: 07401017


Rishi Seth
Joint Managing Director
DIN: 00203469


Vivek Kumar
Company Secretary
M. No. A18491


Gautam Seth
Joint Managing Director
DIN: 00203405


Neeraj Kumar
DGM-Accounts & Finance
M. No. 508653

Date: 4th June 2016

Place: Gurgaon

ANNEXURE-II TO THE BOARD'S REPORT

**TERMS OF REFERENCE OF CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE (CSR COMMITTEE)**

1. To formulate and recommend to the board, a CSR Policy which will indicate the activities to be undertaken by the company in accordance with Schedule VII of the Companies Act,2013, as amended;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR Policy of the company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the board of directors or as may be directed by the board of directors from time to time.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. The Audit Committee has powers, which include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice; and
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. The role of the Audit Committee includes the following:
 - (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - (c) Approval of payment to statutory auditors of the Company for any other services rendered by the statutory auditors;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report.
 - (e) Reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
 - (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer

document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Approval or any subsequent modification of transactions of the Company with related parties;
- (i) Scrutiny of inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) Discussion with internal auditors of any significant findings and follow up thereon;
- (o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- (p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) To review the functioning of the whistle blower mechanism;
- (s) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

(t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3. The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters / letters of internal control weaknesses issued by the Auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(f) Statement of deviations:

i. Quarterly statement of derivation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of sub-Regulation (1) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of sub-Regulation (7) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board of Directors diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and
- (e) Extension or Continuation of the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

TERMS OF PREFERENCE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE:

The powers of the Stakeholders Relationship Committee are as follows:

- (a) Redressed of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- (b) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
- (c) Overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services;
- (d) Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TERMS OF REFERENCE OF IPO COMMITTEE

1. to decide on the actual size of the IPO, including any reservation on a competitive basis, and/or any Pre-IPO Placement and/or Green Shoe Option, any discount to be offered to retail individual investors participating in the IPO and all the terms and conditions of the IPO, including without limitation timing, opening and closing dates of the issue, price band, allocation/allotment to eligible persons pursuant to the IPO, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
2. to appoint, instruct and enter into arrangements with the BRLMs, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, public issue bankers, refund bankers, registrars to an issue and share transfer agents, IPO grading agency, if any, monitoring agency, if any, legal advisors, printers, advertising agencies and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the IPO and to negotiate and finalize the terms of their appointment, including but not limited to execution of the engagement letters with the BRLMs;
3. to finalise, settle, approve and , adopt minor corrections/ modifications and arrange for submission of the Draft Red Herring Prospectus (“DRHP”), the Red Herring Prospectus (“RHP”), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
4. to issue advertisements in such newspapers as it may deem fit and proper in accordance with SEBI ICDR Regulations and other applicable law;
5. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;
6. to open separate escrow accounts and or any other account in such other name or style, as may be necessary, with scheduled banks to receive applications along with application monies in relation to the IPO, if any, in accordance with applicable law;
7. to negotiate, finalize, sign, execute and deliver or arrange the delivery of the issue agreement, syndicate agreement, escrow agreement and the underwriting agreement, agreed with the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, stock exchange(s), BRLMs and other agencies/ intermediaries in connection with IPO with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
8. the opening of a bank account of the Company as a public issue account and an account for handling of refunds for the IPO, if any in accordance with applicable law;

9. to make applications to the FIPB, RBI and such other statutory and governmental authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors, including NRIs and foreign portfolio investors and wherever necessary, incorporate such modifications/amendments/alterations/corrections as may be required in the DRHP, the RHP and the Prospectus;
10. to make applications for listing and trading of the Equity Shares of the Company on one or more recognized stock exchange(s), to execute and deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
11. to finalize the basis of allocation and the basis of allotment and to allot the Equity Shares to the successful allottees in the IPO and to credit the Equity Shares in accordance with the relevant rules;
12. to do all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar to the Issue and share transfer agents and such other agencies, as may be required in this connection, with power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
13. to approve the code of conduct, suitable insider trading policy, whistle blower/ vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board of Directors or the IPO Committee or as required under applicable laws;
14. to seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO in accordance with the applicable regulations and/or contractual obligations;
15. to determine the price at which the Equity Shares are offered, allocated, issued, allotted to investors in the IPO in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
16. to settle all questions, difficulties or doubts that may arise in relation to the IPO, as it may in its absolute discretion deem fit;
17. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the IPO;

18. to authorize and approve the incurring of expenditure and payment of fees, commissions and remuneration to various intermediaries and agencies in connection with the IPO;
19. to submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the Equity Shares of the Company are to be listed; and
20. to authorize and empower officers of the Company (each, an “**Authorized Officer**”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memorandum of understanding, the listing agreements, the registrar’s agreement and memorandum of understanding, the agreements with depositories, the issue agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, [the escrow agreement], confirmation of allocation notes, allotment advices, and any agreement or document in connection with the Pre-IPO Placement (including any placement agreement, escrow agreement and documentation in relation to the IPO), with the BRLMs or lead managers, syndicate members, placement agents, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the IPO; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

ANNEXURE-III TO THE BOARD'S REPORT-

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources of energy:

Energy Conservation measures taken

Company has taken several steps for conserving energy through different initiatives and continuously keeps working to improve energy conservation and utilization. The company has consciously understood the need for energy conservation and has been proactive in making progress towards this initiative. Energy conservation measures have been implemented in the plants and offices. Special efforts have been put on some specific energy conservation projects, which have been mentioned below:

Lighting:

Company has tried to reduce and optimize the lighting requirements in the plants through following initiatives:

- a. For all lighting circuits, the Lighting load has been optimized.
- b. Conventional Light fittings have been replaced with LED Light fixtures at factory and office premises leading to savings in energy consumption.
- c. 28W T5 lamps have been installed in all the assembly sections & offices to conserve energy.
- d. Stage wise replacement of conventional light fitting to LED lighting fitting is under progress.

Replacement of old equipment with new energy efficient equipment:

- a. Purchase of new machines with energy efficient AC VFD motors & drives specially in moulding machine.
- b. Installation of Air guns in assembly for cleaning application.
- c. Timer based operations for air conditioner units.
- d. Pneumatic screw drivers have been replaced with Electric screw drivers.
- e. Ovens have been fitted with Digital Timer/Controller for timely cut off and to avoid overheating.
- f. Replacement of HPSV lights to LED light along the compound walls of factory.
- g. Star rated Air conditioning systems have been installed for energy efficiency at various places.

Optimization of electrical equipment:

Power factor is being monitored on regular basis continuously to maintain in the range of 0.97- 0.99 against the minimum required standard of 0.95 as per Govt. Electricity consumption rules.

Impact:

All the above energy conservation methods have resulted in

- ✓ Optimizing the energy consumption
- ✓ Savings on cost of production
- ✓ Reduction in carbon emission
- ✓ Reduction in processing time
- ✓ Increase in overall efficiency

Capital investment of energy conservation equipment:

The company is putting all efforts to reduce or optimize the energy requirements in the manufacturing unit by investing in energy saving equipment, plants and machineries on regular basis.

B. Technology absorption

The Company is continuously working towards absorption of new technologies by doing latest developments in products, processes and advance materials to ensure quality of products for customers.

Efforts made toward the Technology absorption

Company is continuously spending money in R&D department to meet the above challenges. The company has two R&D centres which are approved by Department of science technological & Industrial Research, Govt. of India. As a process of technological development, adoption & absorption to develop products, process & up gradation of above. The department works on above parameters; once the product or process is developed the prototypes are building followed by pilot development batch which undergoes for complete testing before proceeding for commercial production or implementation. HPL continuously works towards following activities for achieving the short term & long term business goals.

- Continuous development of new products & process for improvement in business efficiency by reduction in cost, cycle time which leads to energy conservation also.
- Development of Import substitution for products & material.
- Value Engineering in products & process to reduce wastages.
- Continuously absorb new technologies to improve the testing procedures for products, process & materials for enhancing the quality of products, safety to persons concerned & environment.
- Special focus on development of in-house products which are compatible to new technology specially interface with computers.

The benefits derived like product improvement, cost reduction, product development or import substitution

- To keep a competitive edge in market place
- To keep a continuous check on costs & quality this leads to customer satisfaction.
- To enhance the brand HPL
- Continuous Introduction of New products.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The company has not imported any technology during the last three Financial Year.

The expenditure incurred on Research and Development:

During the year, your Company has made the total expenditure of Rs.7.25 Crores towards Research & Development

C. Foreign exchange earnings and Outgo

(Rupees in Crores)	
2015-16	
Total Foreign Exchange Earned	14.24
Total Foreign Exchange used	306.20

ANNEXURE-IV TO THE BOARD'S REPORT**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Name of the Related Party	Nature of Relationship	Duration of contract	Salient Terms	Amount (in the FY 2015-16)
<u>Purchase of goods</u>				
Himachal Energy Pvt. Ltd	Common Directors	FY 2014-2017	Purchase of Goods from Himachal Energy Pvt. Ltd as per agreement	4,392,117
<u>Sale of goods</u>				
Himachal Energy Pvt. Ltd	Common Directors	FY 2014-2017	Sale of Goods to Himachal Energy Pvt. Ltd as per agreement	332,400,159
Amerex Pvt. Ltd.	Common Directors	Transaction held in the FY 2015-16	Sale of Goods to Amerex Pvt. Ltd as per agreement	617,721
HPL India Ltd	Common Directors	FY 2014-2017	Sale of Goods to HPL India Limited as per agreement	113,679
<u>Purchase of fixed assets</u>				
Havells Electronics Pvt. Ltd	Common Directors	FY 2014-2017	Purchase of Goods & other assets from Havells Electronics Pvt. Ltd as per agreement	269,800
Himachal Energy Pvt. Ltd.	Common Directors	Transaction held in the FY 2015-16	Purchase of Goods & other assets from Himachal Energy Pvt. Ltd as per agreement	117,779,871
<u>Sale of Assets at Book Value</u>				
Himachal Energy Pvt. Ltd.	Common Directors	Transaction held in the FY 2015-16	Sale of Goods & other assets to Himachal Energy Pvt. Ltd as per agreement	850,000,356
<u>Assignment of Receivables at Book Value</u>				
HPL India Ltd	Common Directors	Transaction held in the FY 2015-16	Assignment of receivables to HPL India Ltd. as per agreement	355,518,822
<u>Purchase of Investment</u>				
Himachal Energy Pvt. Ltd	Common Directors	Transaction held in the FY 2015-16	Purchase of investment from Himachal Energy Pvt. Ltd.	540,025,000
HPL Projects Portfolio Pvt.Ltd.	Common Directors	Transaction held in the FY 2015-16	Purchase of investment pursuant to the scheme of demerger of Himachal Energy Pvt. Ltd. into HPL Projects Portfolio Pvt. Ltd.	15,000
<u>Receiving of services</u>				
HPL India Ltd	Common Directors	FY 2014-2017	Receiving services from HPL India as per agreement.	180,000,000

Sale of Investments (at Book Value)				
Himachal Energy Pvt. Ltd	Common Directors	Transaction held in the FY 2015-16	Sale of Investment in Himachal energy Pvt. Ltd at arms length	150,667,050
Advance for Supply of Design				
HPL India Ltd	Common Directors	Transaction held in the FY 2015-16	Advance paid to HPL India Ltd. for supply of Design as per agreement.	59,211,447
Rent Paid				
Mr. Lalit Seth	Chairman And Managing Director	FY 2010 - 2018	As per lease deed	3,000,000
Mr. Lalit Seth	Chairman And Managing Director	FY 2012 - 2017	As per lease deed	600,000
Mr. Rishi Seth	Joint Managing Director	FY 2010 - 2018	As per lease deed	3,000,000
Mr. Rishi Seth	Joint Managing Director	FY 2012 - 2017	As per lease deed	600,000
Mr. Gautam Seth	Joint Managing Director	FY 2010 - 2018	As per lease deed	3,000,000
Mr. Gautam Seth	Joint Managing Director	FY 2012 - 2017	As per lease deed	600,000
Mrs. Praveen Seth	Relative of Director	FY 2010 - 2018	As per lease deed	3,000,000
Mrs. Praveen Seth	Relative of Director	FY 2012 - 2017	As per lease deed	600,000
Mrs. Pooja Seth	Relative of Director	FY 2012 - 2017	As per lease deed	600,000
Mrs. Vani Seth	Relative of Director	FY 2012 - 2017	As per lease deed	600,000
Mr. V. R. Gupta & Mrs. Archana Gupta	CFO and Whole Time Director and his relative		As per lease deed	174,194

For and on Behalf of the Board
For HPL Electric & Power Limited



Mr. Lalit Seth
Chairman and Managing Director
DIN: 00312007

Date: 04th June, 2016
Place: Gurgaon

ANNEXURE-V TO THE BOARD'S REPORT**FORM NO. MGT-9****Extract of Annual Return****As on the Financial Year ended 31st March, 2016***[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. Registration and other details:**

i)	CIN	U74899DL1992PLC048945
ii)	Registration Date	28-05-1992
iii)	Name of the Company	HPL ELECTRIC & POWER LIMITED
iv)	Category of the Company	COMPANY LIMITED BY SHARES
v)	Sub-Category of the Company	INDIAN NON-GOVERNMENT COMPANY
vi)	Address of the Registered office and contact details	1/21 Asaf Ali road, New Delhi, Delhi-110002, PH No-011-23234411
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District - Nanakramguda, Hyderabad- 500 032, Telangana, India Tel: (+91 40) 6716 2222 / Fax: (+91 40) 23431551 E-mail: einward.ris@karvy.com Website: www.karisma.karvy.com

II. Principal business activities of the company

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Manufacture of electric lighting equipment	27400	99.57

* As per NIC Code 2008.

III. Particulars of holding, subsidiary and associate companies: NIL

S. No	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% age of shares held	Applicable section
1.					
2.					
3.					

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31/03/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	5719870	5719870	30.80	14299676	0	14299676	30.80	0.00

b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	12836809	12836809	69.12	32092023	0	32092023	69.12	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	0	18556679	18556679	99.92	46391699	0	46391699	99.92	0.00
(2) Foreign									
a) NRIs Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.20
Sub-total (A)(1)	0	18556679	18556679	99.92	46391699	0	46391699	99.92	0.00
Total Shareholding of Promoter A=A(1)+A(2)	0	18556679	18556679	99.92	46391699	0	46391699	99.92	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	15000	15000	0.08	37500	0	37500	0.08	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	0	15000	15000	0.08	37500	0	37500	0.08	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	15000	15000	0.08	37500	0	37500	0.08	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00

Grand Total (A+B+C)	0	18571679	18571679	100	46429199	0	46429199	100	0.00
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b) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Mr. Lalit Seth	3081239	16.59	0	7703098	16.59	0	Nil
2	Mrs. Praveen Seth	853239	4.59	0	2133098	4.59	0	Nil
3	HPL India Limited	4695295	25.28	0	11738238	25.28	0	Nil
4	Mr. Rishi Seth	892696	4.81	0	2231740	4.81	0	Nil
5	Mr. Gautam Seth	892696	4.81	0	2231740	4.81	0	Nil
6	Amerex India Private Limited	84000	0.45	0	210000	0.45	0	Nil
7	Jesons Impex Private Limited	9600	0.05	0	24000	0.05	0	Nil
8	Havell's Private Limited	1137062	6.12	0	2842655	6.12	0	Nil
9	Havell's Electronics Private Limited	4660852	25.10	0	11652130	25.10	0	Nil
10	Himachal Energy Private Limited	2250000	12.12	0	5625000	12.12	0	Nil
	Total	18556679	99.92	0	46391699	99.92	0	Nil

c) Change in Promoters' Shareholding

SN	Shareholder's Name	Shareholding				Date of change	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares							No. of Shares	% of total Shares of the Company
		01.04.2015		31.03.2016						
No. of Shares	% of Shares	No. of Shares	% of Shares							
1	Mr. Lalit Seth	3081239	16.59	7703098	16.59	16.11.2015	Increase	Allotment of Bonus Shares	7703098	16.59
2	Mrs. Praveen Seth	853239	4.59	2133098	4.59	16.11.2015	Increase	Allotment of Bonus Shares	2133098	4.59
3	HPL India Limited	4695295	25.28	11738238	25.28	16.11.2015	Increase	Allotment of Bonus Shares	11738238	25.28
4	Mr. Rishi Seth	892696	4.81	2231740	4.81	16.11.2015	Increase	Allotment of Bonus Shares	2231740	4.81
5	Mr. Gautam	892696	4.81	2231740	4.81	16.11.2015	Increase	Allotment	2231740	4.81

	Seth							t of Bonus Shares		
6	Amerex India Private Limited	84000	0.45	210000	0.45	16.11.2015	Increase	Allotment of Bonus Shares	210000	0.45
7	Jesons Impex Private Limited	9600	0.05	24000	0.05	16.11.2015	Increase	Allotment of Bonus Shares	24000	0.05
8	Havell's Private Limited	1137062	6.12	2842655	6.12	16.11.2015	Increase	Allotment of Bonus Shares	2842655	6.12
9	Havell's Electronics Private Limited	4660852	25.10	11652130	25.10	16.11.2015	Increase	Allotment of Bonus Shares	11652130	25.10
10	Himachal Energy Private Limited	2250000	12.12	5625000	12.12	16.11.2015	Increase	Allotment of Bonus Shares	5625000	12.12
	Total	18556679	99.92	46391699	99.92				46391699	99.92

d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Shareholder's Name	Shareholding		Date of change	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
N.A.								

e) Shareholding of Directors and Key Managerial Personnel:

SN	Name of the Directors and KMPs	Shareholding				Date of change	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares							No. of Shares	% of total Shares of the Company
		01.04.2015		31.03.2016						
No. of Shares	% of Shares	No. of Shares	% of Shares							
1	Mr. Lalit Seth	3081239	16.59	7703098	16.59	16.11.2015	Increase	Allotment of Bonus Shares	7703098	16.59
2	Mr. Rishi Seth	892696	4.81	2231740	4.81	16.11.2015	Increase	Allotment of Bonus Shares	2231740	4.81
3	Mr. Gautam Seth	892696	4.81	2231740	4.81	16.11.2015	Increase	Allotment of Bonus Shares	2231740	4.81
4	Mr Chandra Prakash Jain	15000	0.08	37500	0.08	16.11.2015	Increase	Allotment of Bonus	37500	0.08

								Shares		
5.	Mr. Vinod Ratan	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Vivek Kumar	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V) Indebtedness of the company including interest outstanding/ accrued but not due for payment

(Rs. in Lacs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44523.45	4000.00	NA	48523.45
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	44523.45	4000.00	NA	48523.45
Change in Indebtedness during the financial year				
• Addition	3236.55	3000.00	NA	6236.55
• Reduction (Repayments)				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	47759.99	7000.00	NA	54759.99
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	47759.99	7000.00	NA	54759.99

VI. Remuneration of directors and key managerial personnel

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (Rs. in Lacs)
		Mr. Lalit Seth	Mr. Rishi Seth	Mr. Gautam Seth.	Mr. C.P. Jain	Mr. Vinod Rattan	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	375.52	156.77	156.77	125.55	17.66	832.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	0.40	0.07	1.67
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	N.A.	Nil
2	Stock Option	Nil	Nil	Nil	Nil	N.A.	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	N.A.	Nil
4	Commission	Nil	Nil	Nil	Nil	N.A.	Nil
	- as % of profit	Nil	Nil	Nil	Nil	N.A.	Nil
	- others, specify...	Nil	Nil	Nil	Nil	N.A.	Nil

5	Others, please specify	Nil	Nil	Nil	Nil	N.A.	Nil
	Total (A)	375.92	157.17	157.17	125.95	17.73	833.94
	Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 read with Schedule V of the Companies Act, 2013.					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount (Rs. in Lacs)
1	Independent Directors	Mr. Tarun Sehgal	Mr. Jatinder Singh Sabharwal	Ms. Madhu Bala Nath	Mr. Jainul Haque	Mr. Virender Kumar Bajaj	
	Fee for attending board committee meetings	1.30	1.30	1.60	1.30	1.00	6.50
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.	
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.	
	Total (1)	1.30	1.30	1.60	1.30	1.00	6.50
2	Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A.	N.A.	
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
	Total (2)	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
	Total (B)=(1+2)	1.30	1.30	1.60	1.30	1.00	6.50
	Total Managerial Remuneration	1.30	1.30	1.60	1.30	1.00	6.50
	Overall Ceiling as per the Act	It is in accordance with the ceiling as specified under section 197 read with Schedule V of the Companies Act, 2013.					

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount Rs. in Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS	CS	CFO*	Total
		N.A.	Mr. Manoj Kumar Mishra (resigned w.e.f. 30/04/2015)	Mr. Vivek Kumar (Appointed w.e.f. 02/07/2015)	Mr. Vinod Ratan (appointed w.e.f. 21/01/2016)	
1	Gross salary	N.A.	0.53	8.07	N.A.	8.07
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	0	0	N.A.	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	0	0	N.A.	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	0	0	N.A.	0
2	Stock Option	N.A.	0	0	N.A.	0
3	Sweat Equity	N.A.	0	0	N.A.	0
4	Commission	N.A.	0	0	N.A.	0
	as % of profit	N.A.	0	0	N.A.	0
	others, specify...	N.A.	0	0	N.A.	0
5	Others, please specify	N.A.	0	0	N.A.	0
	Total	N.A.	0.53	8.07	N.A.	8.07

*Particulars of the remuneration of CFO (Mr. Vinod Ratan Whole Time Director & CFO) are given above under point no VI A

VII. Penalties/ punishment/ compounding of offences: Nil [No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.]

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)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other officers in default					
Penalty					
Punishment					
Compounding					

ANNEXURE-VI TO THE BOARD'S REPORT

Details of CSR Activities shall be disclosed in the Board's report as per Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Applicability

This Corporate Social Responsibility Policy is applicable to **HPL Electric & Power Ltd.** (hereinafter referred to as "the Company), which is mandated with the CSR expenditure obligations as per Sec. 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

2. CSR Committee - roles and responsibilities

Corporate Social Responsibility Committee (CSR Committee) had been re-constituted by the Board of Directors of the Company w.e.f 21/01/2016. In view of reconstitution of the CSR Committee; the CSR Policy is revised. The present constitution of the CSR Committee is as below:

SN	Name of the Director	Designation
1	Mr. Lalit Seth	Chairman
2	Mr.Rishi Seth	Director
3	Mrs. MadhuBalaNath	Independent Director
4	Mr. JainulHaque	Independent Director

CSR committee is responsible to:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII;
- b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c. Monitor Corporate Social Responsibility Policy of the Company from time to time; and,
- d. To take steps for the formulation of any Trust/Society/Company for the charitable purpose and get the same registered for the purpose of complying with Corporate Social Responsibility provisions.
- e. Any other duties, roles and responsibilities pursuant to the provisions of the Section 135 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time.

3. Average Net profit for the last three years:

The Average net profit of the company for last three financial years for the purpose of computation of CSR is Rs.3982.73 lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Minimum prescribed CSR Expenditure (two per cent of the amount as in item 3 below) is Rs.79.65 lacs.

5. Details of CSR spent during the financial year:

Total amount spent for the financial year	NIL
Amount unspent	NA

Manner in which the amount spent during the financial year is detailed below: N.A.

6. Reason for non spending of the minimum prescribed CSR expenditure by the Company:

The Company has formed the Trust for carry out the CSR activities and will start contributing once the trust is registered with the concerned authorities.

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

This is to confirm that except as mentioned above in this report, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.



Lalit Seth
Chairman (CSR Committee)
DIN:00312007



Rishi Seth
Director
DIN: 00203469

ANNEXURE-VII ANNEXURE-VI TO THE BOARD'S REPORT

Details as per Section 197 of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company

I. Particulars of Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees:

(Rs. In Lacs)

Name of the Employee	Mr. Lalit Seth	Mr. Rishi Seth	Mr. Gautam Seth	Mr. C. P. Jain
Designation	Chairman & Managing Director	Joint Managing Director	Joint Managing Director	Whole Time Director
Remuneration Received (Rs.) (FY 2015-16)	375.91	157.16	157.16	125.95
Nature of Employment (Contractual or otherwise)	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee
Qualification and Experience	Undergraduate.	Bcom , Master of Business Administration	Bcom , Chartered Accountant	Bachelor of Engineering, Post Graduate Diploma in Statistical Quality Control, Master of Business Administration
Date of commencement of employment*	28.05.1992	14.04.2000	15.02.2008	18.05.2009
Age (Years)	70	45	44	56
Last employment held by such employee before joining the company	N.A.	N.A.	N.A.	N.A.
The percentage of equity share held by himself or along the spouse and dependent children	21.18	4.81	4.81	0.08
Whether employee is a relative of any director or manager of the Company and if so name of such director or manager.	Mr. Lalit Seth is the father of Mr. Rishi & Mr. Gautam Seth	Mr. Rishi Seth is the Son of Mr. Lalit Seth and brother of Mr. Gautam Seth	Mr. Gautam Seth is the Son of Mr. Lalit Seth and brother of Mr. Rishi Seth	N.A.

*Being the date of appointment as Director in the Company.

II. Particulars of Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month:

Name of the Employee	Mr. Vinod Ratan
Designation	CFO & Whole Time Director
Remuneration Received (Rs. In lacs)	17.73

(FY 2015-16)	
Nature of Employment (Contractual or otherwise)	Permanent Employee
Qualification and Experience	Chartered Accountant
Date of commencement of employment*	21.01.2016
Age (Years)	57
Last employment held by such employee before joining the company	N.A.
The percentage of equity share held by himself or along the spouse and dependent children	Nil
Whether employee is a relative of any director or manager of the Company and if so name of such director or manager.	Nil

- III. **Particulars of Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: N.A.**

ANNEXURE – VIII TO THE BOARD’S REPORT

HPL ELECTRIC & POWER LIMITED NOMINATION AND REMUNERATION POLICY (Adopted in the Board Meeting held on 21st January, 2016)

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961;

“**Key Managerial Personnel**” means:

- i. Managing Director, Joint Managing Director or Chief Executive Officer and Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management, one level below the Executive Directors, including the functional heads.

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC are inter alia, includes the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board of Directors diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and
- (e) Extension or Continuation of the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director, Joint Managing Director or Whole-time Director, who has attained the age of seventy years, unless the same is approved by the shareholders through special resolution.

TERM/ TENURE

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director:**

An Independent Director shall hold office for a term up to a maximum five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the aforesaid period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an

Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Law and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director/ Joint Managing Director/ Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director/ Joint Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Joint Managing Director/ Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get any Stock Options (if any) and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - i) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, allowances etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- Company shall disclose the remuneration policy and evaluation criteria in its Annual Report.
- The Committee may Delegate any of its powers to one or more of its members.

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

HPL Electric & Power Limited

1/21, Asaf Ali Road,

New Delhi -110002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HPL Electric & Power Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



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vinod.gupta.k@gmail.com

Page 1 of 5

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by HPL Electric & Power Limited for the financial year ended on 31st March 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



- vi. Other law as are applicable to the Company as per representations made by the Company.

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

- (i) **Secretarial Standards** issued by The Institute of Company Secretaries of India with respect to Board and General Meeting.

Based on our examination and verification of the books, papers, minute books, forms and returns filed and other records produced to us and according to information and explanations given to us by the Company, we do report that the Company has in our opinion, complied with the provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, the Memorandum and Articles of Association of the Company and the applicable provisions of the abovementioned laws, standards, guidelines, agreements, etc.

We report that, during the year under review:

1. The Status of the Company changes from Private Limited Company to public Limited Company (as per Special Resolution pass on 09/12/2015) during the financial year. Current status of the Company is an Unlisted Public Company.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days well in advance and a system



exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.


4. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that (as represented by the Company and relied upon by us) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For AVA Associates
Company Secretaries


Vinod Kumar Gupta
Company Secretary

FCS: 3648; CP: 2148

Delhi

4th June, 2016

Annexure A-

Responsibility Statement

To,

The Members

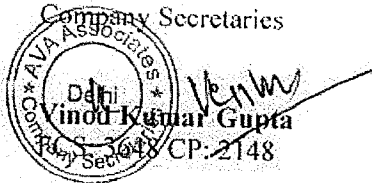
HPL Electric & Power Limited

1/21, Asaf Ali Road, New Delhi -110002

Our report is to be read along with the following:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For AVA Associates
Company Secretaries**



Delhi
4th June, 2016

Office: 107, C-240, Pundrav Nagar, Delhi-110092

ph. 09312230937
vinod.gupta.k@gmail.com

SAHNI MEHRA & CO.

Chartered Accountants

73, SUNDER NAGAR, NEW DELHI-110003

Telephone No. 011-26142750,26142304

HPL ELECTRIC & POWER LTD.
Annual Report 2015-16

Independent Auditor's Report

To the Members of
HPL ELECTRIC & POWER LTD.

Report on the Financial Statements

We have audited the accompanying financial statement of **HPL ELECTRIC & POWER LTD.** ('the Company') which comprise the balance sheet as at march 31, 2016, statement of Profit and loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 Accounting Standards specified under Section 133 of the Act, as applicable. 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 thereunder and the Order under section 143(11) of the Act.

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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act; and
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company has disclosed the impact of pending litigation on its financial statements.
 - ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we given in 'Annexure B' a statement on the matters specified on paragraph 3 and 4 of the Order.



For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)

Membership No. : 009246

Place: New Delhi

Date:

4 JUN 2016

HPL ELECTRIC & POWER LTD.
Annual Report 2015-16

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **HPL ELECTRIC & POWER LTD.** ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statement of the company for the year then ended and as on that date.

Management's Responsibility for the Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components on internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Notes, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend of the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisation of the management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.



For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

Ramesh Sahni

(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi

Date:

- 4 JUN 2016

HPL ELECTRIC & POWER LTD.
Annual Report 2015-16

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of HPL ELECTRIC & POWER LTD. ('the Company')

- (1) In respect of the Company's fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, on our opinion, provides physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (3) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (5) The company has not accepted any deposits during the year and does not have any unclaimed deposits as at march 31, 2016 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company.
- (6) We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records have been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.
- (7) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed



statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrear as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax and Excise Duty as at 31st March, 2016 which have not been deposited on account of dispute, are given below:

Name of the statute	Nature of dues	Financial year to which the matter pertains	Forum where the Dispute is pending	Amount (Rs. in lacs)
Service Tax	Service Tax	2007-2008 to 2010-2011	CESTAT, New Delhi.	22.83
Service Tax	Service Tax	2008-09	CESTAT, New Delhi.	132.59
Central Excise Act, 1944	Excise Duty	2007-2008	CESTAT, New Delhi.	10.40
Central Excise Act, 1944	Excise Duty	2007-2008	CESTAT, New Delhi.	45.37
Central Excise Act, 1944	Excise Duty	2008-2009	Addl. Comm, LTU, New Delhi.	16.40
Service Tax	Service Tax	2012-2013 to 2014-15	Comm. (A), LTU, Delhi	3.64
Haryana VAT, 2003	Sales Tax	2008-2009	Haryana Tax Tribunal, Chandigarh.	25.51
Haryana VAT, 2003	Sales Tax	2011-2012	Jt.Comm.(A), Ambala	4.38
Haryana VAT,	Sales Tax	2010-2011	Jt.Comm.(A),Rohtak.	17.82



2003				
Haryana VAT,	Sales Tax	2009-2010	Haryana Tax Tribunal, Chandigarh.	4.78
Service Tax,	Service Tax	2011-2012	CESTAT, New Delhi.	1.13
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Rohtak.	18.45
Haryana VAT,	Sales Tax	2011-2012	Haryana Tax Tribunal, Sonapat.	23.19

- (8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan or borrowing to banks. The Company does not have any loans or borrowing from financial institutions or government and has not issued any debentures.
- (9) The Companies has not raised money by way of initial public offer or further public offer (including debts instruments) or term loans and hence reporting under clause 3(ix)of the Order is not applicable.
- (10) To the best of our knowledge and according to the information and explanations to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (11) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Company.
- (15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the act are not applicable.



(16) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For SAHNI MEHRA & CO.
Chartered Accountants
(Registration No. 000609M)



(Ramesh Sahni)
(Proprietor)
Membership No. : 009246



Date : 4 JUN 2016
Place:

Balance Sheet As At 31st March 2016

(Amount in ₹)

Particulars	Note No.	As At 31st March, 2016	As At 31st March, 2015
EQUITY AND LIABILITIES			
Share Holder's Fund			
(a) Share Capital	2	464,291,990	185,716,790
(b) Reserves & Surplus		3,088,514,046	3,002,253,326
		3,552,806,036	3,187,970,116
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,162,136,288	953,665,051
(b) Deferred Tax Liability (Net)	5	237,278,339	185,280,108
(c) Other Long Term Liabilities	6	137,569,239	172,173,911
(d) Long Term Provisions	7	50,079,757	15,973,610
		1,587,063,623	1,327,092,680
Current Liabilities			
(a) Short Term Borrowings	8	4,313,863,060	3,898,679,762
(b) Trade Payables	9	3,320,624,641	2,561,104,528
(c) Other Current Liabilities	10	534,872,662	403,599,883
(d) Short Term Provisions	7	76,304,936	72,472,430
		8,245,665,299	6,935,856,603
		13,385,534,958	11,450,919,399
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,345,703,666	3,067,921,983
(ii) Capital Work in Progress		27,531,805	-
(b) Non-Current Investments	12	540,040,000	150,667,050
(c) Long Term Loans and Advances	13	23,451,396	13,599,854
		3,936,726,867	3,232,188,887
Current Assets			
(a) Inventories	14	3,151,508,156	3,061,936,740
(b) Trade Receivables	15	5,121,357,907	4,009,790,653
(c) Cash and Bank Balances	16	516,388,842	544,218,507
(d) Short Term Loans & Advances	13	644,485,521	595,719,572
(e) Other Current Assets	17	15,067,665	7,065,040
		9,448,808,091	8,218,730,512
		13,385,534,958	11,450,919,399

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 48)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED : **4 JUN 2016**



For and on behalf of Board

Lalit Seth
Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth
Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar
Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth
Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta
V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar
Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

Statement of Profit and Loss for the period ended 31st March, 2016

(Amount in ₹)

	Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
I.	Revenue from operations		12,438,661,534	11,572,170,921
	Less: Excise Duty		1,286,036,643	1,121,054,878
	Revenue from operations (Net)		11,152,624,891	10,451,116,043
II.	Other income	18	48,556,235	47,205,668
III.	Total Revenue (I + II)		11,201,181,126	10,498,321,711
IV.	Expenses:			
	Cost of materials consumed	19	7,460,307,504	7,460,296,436
	Changes in inventories of finished goods, work-in-progress	20	(53,564,523)	(285,800,967)
	Employee Benefits Expenses	21	1,066,952,674	664,630,034
	Finance Cost	22	782,371,091	699,262,838
	Depreciation and Amortization Expenses	11	193,648,642	162,016,510
	Other Expenses	23	1,263,263,479	1,362,280,426
	Total expenses		10,712,978,867	10,062,685,277
V.	Profit before tax (III-IV)		488,202,260	435,636,434
VI.	Tax Expense:			
	(1) Current tax		104,190,000	92,155,540
	(2) Deferred tax		51,998,231	(2,080,456)
	(3) Mat Credit entitlement		(38,410,000)	1,937,537
VII.	Profit for the year (V-VI)		370,424,029	343,623,813
VIII.	Earnings per equity share:	24		
	(1) Basic		7.98	7.40
	(2) Diluted		7.98	7.40

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 48)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED :

4 JUN 2016



For and on behalf of Board

Lalit Seth
Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth
Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar
Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth
Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta
V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar
Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

Particulars	As At 31st March, 2016	As At 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	488,202,260	435,636,434
Adjustments for :		
- Depreciation and amortisation Expenses	193,648,642	162,016,510
- Finance Expenses	782,371,091	699,262,838
- Interest Income	(39,965,860)	(38,741,966)
- Loss / (Profit) on Sale of Fixed Assets	149,809	116,367
Operating profit before working capital changes	1,424,405,942	1,258,290,183
Adjustments for :		
Decrease/(Increase) in Trade receivables	(1,111,567,254)	(1,094,097,069)
Decrease/(Increase) in Security Deposits	57,659,906	1,259,022
Decrease/(Increase) in Short Term Advances	(30,692,548)	(228,247,066)
Decrease/(Increase) in Other Current Assets	(8,002,625)	5,503,103
(Decrease)/Increase in Inventories	(89,571,416)	(525,393,468)
(Decrease)/Increase in Short Term Provision	479,641	11,891,901
(Decrease)/Increase in Securities Deposits	(34,604,672)	6,388,223
(Decrease)/Increase in Long Term Provision	34,106,147	2,506,086
(Decrease)/Increase in Other Current Liabilities	131,272,779	20,187,874
(Decrease)/Increase in Trade Payables	759,520,113	919,868,473
Cash Generated from operations	1,133,006,012	378,157,262
- Taxes Paid (Net of Refunds)	(83,853,402)	(108,298,926)
NET CASH FROM OPERATING ACTIVITIES	1,049,152,610	269,858,336
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(471,618,493)	(721,104,170)
- (Increase)/ Decrease in Capital WIP	(27,531,805)	290,348,740
- Purchases of Investment (Net)	(389,372,950)	-
- Proceeds from Sale of fixed assets	38,361	973,584
- Capital Advances (Net of Capital Creditors)	(67,511,448)	-
- Interest Income Received	39,965,860	38,741,966
NET CASH USED IN INVESTING ACTIVITIES	(916,030,475)	(391,039,880)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Working Capital Loan (Net)	415,183,298	742,839,225
- Proceeds from Secured Long Term Loan (Net)	208,471,237	159,997,056
- Finance Expenses	(782,371,091)	(699,262,838)
- Dividends Paid on equity shares	(1,857,168)	(1,857,168)
- Tax on Dividends Paid on equity shares	(378,076)	(315,626)
NET CASH USED IN FINANCING ACTIVITIES	(160,951,800)	201,400,650
Net changes in cash & cash equivalents (A+B+C)	(27,829,665)	80,219,106
Cash & Cash equivalents - Opening balance	544,218,507	463,999,401
Cash & Cash equivalents - Closing Balance	516,388,842	544,218,507

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 48)

As per our report of even date attached
FOR SAHNI MEHRA & CO.

CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR

M.No. : 009246

F.R.N. : 000609N

PLACE : NEW DELHI

DATED :

4 JUN 2016



For and on behalf of Board
Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(Annexed to and forming part of the Financial Statements for the year ended 31st March, 2016)

COMPANY OVERVIEW

HPL Electric & Power Limited (Formerly HPL Electric & Power Private Limited) ('The Company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Company is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at 6 locations, 2 units at Gurgaon, 1 unit at village Bastara, Tehsil Gharaunda, Karnal, 1 unit at village Bhigan, Ganauar, Sonipat, 1 unit at Kundli in Haryana and 1 unit at village Shavela, Jabli in Himachal Pradesh.

The Company has R&D facilities located at Gurgaon and Kundli in Haryana, approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology.

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

The financial statement have been prepared under historical cost convention on accrual basis of accounting in accordance with the applicable accounting principles in India including the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

B) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/materialized.

C) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.



Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

D) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately.

The depreciation on assets for a value not exceeding `5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over estimated useful life of assets on Straight Line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

E) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

F) Inventories

- a) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.
- b) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.
- c) Purchased Goods-in-transit are carried at cost.
- d) Stores and Spares are valued at lower of cost or net realizable value.
- e) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.



G) Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount/trade obligations and sales tax. Export sales are recognized on the date of shipping/Air Way Bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income/expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

H) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

I) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

J) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss.



K) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

L) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

M) Cash Flow

Cash Flow are reported according to the indirect method as specified in the Accounting Standard-3(Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

N) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing



differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

O) Lease

Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

P) Foreign Currency Transactions, Derivative instruments And Hedge Accounting

a) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing at the end of month, which approximates the rate on the date of transaction.

Gain/ loss arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of profit and loss.

Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the year end and the overall net gain/ loss are adjusted to the Statement of profit and loss.

b) Derivative Instruments and Hedge Accounting

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The company designates these as cash flow hedges applying the principles set out in the Accounting Standard 30 "Financial Instruments: Recognition Measurement" (AS-30).

Foreign currency derivative instruments are initially measured at fair value and



are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholder's funds and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At the time of forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

Q) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

R) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.



S) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are compiled and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

T) Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting".

1) Identification of Segments:

Primary- Business Segment

The Company has identified four reportable segments viz. Electronic Energy Static Meters, Switchgears, Lighting and Cables on the basis of the nature of products. The risk and return profile of individual business & the internal Business reporting systems.

2) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the customers.

3) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

4) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

As per our report of even date attached

For SAHANI MEHRA & CO.

CHARTERED ACCOUNTANT

For and on behalf of board


RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED : **4 JUN 2016**





Lalit Seth
Chairman and Managing Director
DIN-00312007


Rishi Seth
Joint Managing Director
DIN-00203469


Vivek Kumar
Company Secretary
M.No.A18491


Gautam Seth
Joint Managing Director
DIN-00203405


V.R. Gupta
Director and CFO
DIN-07401017


Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

2 Share Capital

Particulars	(Amt in ₹)	
	As At 31st March, 2016	As at 31st March, 2015
a (a) Authorized 70,000,000 Equity Shares of ₹ 10/- each (Previous year 20,000,000 Equity Shares of ₹ 10/- each)	₹ 700,000,000	₹ 200,000,000
(b) Issued, Subscribed & Paid Up 46,429,199 Equity Shares of ₹ 10/- each fully paid up (Previous year 18,571,679 Equity Shares of 10/- each fully paid up) (out of above 27,857,520 shares issued as fully paid up bonus shares by capitalization of securities premium account)	464,291,990	185,716,790
Total	464,291,990	185,716,790

b (c) Reconciliation of share capital at the beginning and close of the accounting period ended 31st Mar 2016 :-

Particulars	As At 31st March, 2016		As at 31st March, 2015	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	18,571,679	185,716,790	18,571,679	185,716,790
Shares Issued during the period (Bonus Shares)	27,857,520	278,575,200	-	-
Shares outstanding at the end of the period	46,429,199	464,291,990	18,571,679	185,716,790

c Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share (previous year Rs. 10/- per share). Each holder of equity shares is entitled to one vote per share. A final dividend of Rs. 0.10 per share (previous year Rs. 0.10 per share) has been recommended by the board of directors and subject to approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d

Name of Shareholder	As At 31st March, 2016		As at 31st March, 2015	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	7,703,098	16.59	3,081,239	16.59
HPL India Ltd.	11,738,238	25.28	4,695,295	25.28
Havell's Pvt. Ltd.	2,842,655	6.12	1,137,062	6.12
Havell's Electronics Pvt. Ltd	11,652,130	25.10	4,660,852	25.10
Himachal Energy Pvt. Ltd.	5,625,000	12.12	2,250,000	12.12

3 Reserves and Surplus

(a) Securities Premium Account	As At 31st March, 2016	As at 31st March, 2015
Opening Balance	₹	₹
Less : Utilized on issue of Bonus shares	755,715,980 278,575,200	755,715,980 -
Closing Balance	477,140,780	755,715,980
(b) General Reserve	As At 31st March, 2016	As at 31st March, 2015
Opening Balance	₹	₹
(+) Current Year Transfer	242,131,417 15,000,000	227,131,417 15,000,000
Closing Balance	257,131,417	242,131,417



(c) Surplus	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Opening balance		
(+) Net Profit/(Loss) For the current period	2,004,405,929	1,939,342,631
(-) Proposed Dividend	370,424,029	343,623,813
(-) Tax on Proposed Dividend	4,642,919	1,857,168
(-) Transfer to General Reserve	945,190	378,076
(-) Impact of transitional provision as per Schedule II of the Companies Act, 2013	15,000,000	15,000,000
Closing Balance	-	261,325,271
	2,354,241,849	2,004,405,929
Total Reserves & Surplus (a+b+c)	3,088,514,046	3,002,253,326

4 Long Term Borrowings

Particulars	Non-Current		Current Maturities	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
Secured				
Term Loan	721,666,662	540,057,945	138,333,338	40,000,000
Corporate Loan	440,469,626	413,607,106	174,999,992	150,000,000
ECBs	-	-	-	99,754,200
Other Loans	-	-	-	-
Vehicle loans - from banks	-	-	649,946	2,265,296
Total	1,162,136,288	953,665,051	313,983,276	292,019,496

Term Loan of ₹ 860,000,000/- (P.Y. ₹ 580,057,945/-) consists of two term loans of ₹ 460,000,000/- (P.Y. ₹ 400,000,000/-) (TL-1), ₹ 40,000,000/- (P.Y. ₹ 180,057,945/-) (TL-2)

TL-1 is secured by 1st charge over immovable and moveable fixed assets of the company situated at Gharaunda, Distt. Karnal, Haryana and personal guarantees of Promoter Directors, which is repayable in 20 unequal quarterly installments w.e.f. June, 2015 due for maturity in March, 2020. The rate of interest is linked with Base Rate of the bank + spread.

TL-2 is secured by first charge over Land & Building situated at Plot No 357Q, Pace City II, Sector-37, Gurgaon and personal guarantees of promoter directors, which is repayable in 48 unequal monthly installments w.e.f. July, 2016 and due for maturity in March, 2020. The rate of interest is linked with Base Rate of the bank + spread.

Corporate Loan of ₹ 615,469,618/- (P.Y. ₹ 563,607,106/-) consists of three Corporate Loans i.e. ₹ 151,041,673/- (P.Y. ₹ 213,607,106/-) (CL-1), ₹ 262,500,000/- (P.Y. ₹ 350,000,000/-) (CL-2) and ₹ 201,927,945/- (P.Y. Nil) (CL-3).

CL-1 is secured by 1st charge on Land and Building and Plant & Machinery, (to the extent of Rs. 8.25 Crs.), situated at 76-B, Sector 57, Phase- IV, Industrial Area, Kundli, Haryana and personal guarantees of promoter directors, which is repayable in 48 equal monthly installments w.e.f. October, 2014 and due for maturity in September, 2018 carrying interest rate at base rate of bank + spread.

CL-2 is secured by first pari-passu charge on current assets of the company to the extent of ₹ 35.00 Crs., exclusive charge on specific fixed assets created out of the corporate loan to the extent of ₹ 10.00 Crs. Exclusive charge on property situated at plot no-27, Block-A Sector-9, Noida, Uttar Pradesh of Group Company its corporate guarantee and personal guarantee of promoter directors.

CL-3 is secured by first charge of Land & Building and plant and machinery situated at Vill Shavela, P.O. Jabli, Tehsil Kasauti, Dist Solan (Himachal Pradesh) and assets created from this financial assistance and personal guarantee of promoter directors, which is repayable in 16 quarterly installments of 1.25 Crs with the first installment commencing after a moratorium period of one year from 30.11.2016.

ECB of Nil (P.Y. ₹ 99,754,200/-) is from ICICI Bank Ltd.

Vehicle loans are secured against hypothecation of respective vehicles and are repayable in maximum 36 monthly installments and the last date of installment is Dec, 2016.

5 Deferred Tax Liability

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Deferred Tax Liability:		
Opening Balance		
Addition :- Deferred Tax Liability / (Assets)	185,280,108	187,360,564
	51,998,231	(2,080,456)
Total	237,278,339	185,280,108



6 Other Long Term Liabilities

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Security deposit received	137,569,239	172,173,911
Total	137,569,239	172,173,911

7 Provisions

Particulars	Long-term		Short-term	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
(a) Provision for employee benefits				
Gratuity	29,019,757	15,973,610	2,197,301	2,456,847
Leave Encashment	-	-	37,199,526	20,100,339
(b) Other Provisions				
Proposed Equity Dividend	-	-	4,642,919	1,857,168
Provision for tax on Proposed Dividend	-	-	945,190	378,076
Provision for Warranties	21,060,000	-	31,320,000	47,680,000
Total	50,079,757	15,973,610	76,304,936	72,472,430

8 Short Term Borrowings

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Loans repayable on demand		
-Secured Loans		
- From Banks*	3,613,863,060	3,498,679,762
-Unsecured Loans		
- From Banks	700,000,000	400,000,000
Total	4,313,863,060	3,898,679,762

*Working capital facilities (fund based and non-fund based) are secured by way of first pari-passu charge over the current assets of the company including receivables both present and future by way of hypothecation with corporate loan lender (IDBI Bank to the extent of Rs. 35.00 Crs) and on land and building of the company at its two units and all fixed assets of the company which are not financed by any other term lender. These facilities are further secured by second pari-passu charge over entire fixed assets of the company on which other lenders have first charge excluding assets financed by IDBI Bank and Kotak Mahindra Bank, on which these banks have excluding charge and the personal guarantees of the promoter directors.

9 Trade Payables

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade Payables		
(a) Due to Micro, Small and Medium Enterprises under MSMED Act, 2006*	349,666,845	201,696,384
(b) Others	2,970,957,796	2,359,408,144
Total	3,320,624,641	2,561,104,528

* Refer note no.34

10 Other Current Liabilities

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Current maturities of long-term debt	313,983,276	292,019,496
Other Payable		
T.D.S. Payable	130,290,558	77,406,692
Service Tax Payable	20,903,199	12,685,189
Sales Tax Payable	3,897,881	995,916
Contribution to PF & ESI	61,377,062	18,262,698
	4,420,686	2,229,892
Total	534,872,662	403,599,883



11 FIXED ASSETS

(Amt in ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK			
		AS AT 01.04.2015	Additions	Adjustment	Set off from Retained Earnings	AS AT 31.03.2016	AS AT 01.04.2015	For the Period	Adjustments	TOTAL 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
A TANGIBLE												
1	Freehold Land	536,178,345	-	-	-	536,178,345	-	-	-	-	536,178,345	536,178,345
2	Building	1,062,476,811	25,954,828	-	-	1,088,431,639	77,993,841	33,993,326	-	111,987,167	976,444,472	984,482,970
3	Plant & Machinery	1,904,679,756	426,013,835	275,880	-	2,330,417,711	473,165,691	143,354,333	87,710	616,432,314	1,713,985,397	1,431,514,065
4	Furniture & Fittings	53,621,846	10,961,400	-	-	64,583,246	23,797,530	5,134,982	-	28,932,511	35,650,735	29,824,316
5	Office Equipment's	111,149,545	7,700,030	-	-	118,849,575	53,207,741	5,081,564	-	58,289,305	60,560,270	57,941,804
6	Vehicles	46,845,159	988,400	-	-	47,833,559	18,864,676	6,084,437	-	24,949,113	22,884,446	27,980,483
	TOTAL (A)	3,714,951,462	471,618,493	275,880	-	4,186,294,076	647,029,479	193,648,641	87,710	840,590,410	3,345,703,666	3,067,921,983
	Previous Year (A)	3,257,983,376	721,104,170	2,810,813	261,325,271	3,714,951,462	486,733,831	162,016,510	1,720,862	647,029,479	3,067,921,983	2,771,249,545
B INTANGIBLE												
1	Software & Designs	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
	TOTAL (B)	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
	Previous Year (B)	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
C CAPITAL WORK IN PROGRESS												
1	Machinery	-	27,531,805	-	-	27,531,805	-	-	-	-	27,531,805	-
	TOTAL (C)	-	27,531,805	-	-	27,531,805	-	-	-	-	27,531,805	-
	Previous Year (C)	290,348,740	-	290,348,740	-	-	-	-	-	-	-	290,348,740
	CURRENT YEAR (A+B+C)	3,727,771,024	499,150,299	275,880	-	4,226,645,443	659,849,041	193,648,641	87,710	853,409,972	3,373,235,471	3,067,921,983
	PREVIOUS YEAR (A+B+C)	3,561,151,678	721,104,170	293,159,553	261,325,271	3,727,771,024	499,553,393	162,016,510	1,720,862	659,849,041	3,067,921,983	3,061,598,285



12 Non-Current Investments

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Non-Trade Investments (Valued at Cost)		
Investment in Equity instruments		
Quoted Non-Trade*	-	657,050
Unquoted Non-Trade		
HPL India Limited		
Nil (P.Y. 75000 shares of Rs. 10 each)	-	150,000,000
Himachal Energy Pvt Ltd		
20 Equity Shares (P.Y. Nil)	20,000	-
HPL Projects Portfolio Private Limited		
10 Equity Shares (P.Y. Nil)	15,000	-
Investments in Preference Shares		
500 10% Cumulative Compulsorily Redeemable Preference Shares in Himachal Energy Pvt. Ltd (P.Y. Nil)	5,000	-
Investments in Mutual Funds		
	-	10,000
Investment In Debentures		
Himachal Energy Pvt Ltd		
1,50,00,000 optionable convertible debentures Face value of ₹ 10/- each (P.Y. Nil)	540,000,000	-
Total	540,040,000	150,667,050

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Aggregate amount of quoted investments (Market Value Nil (Previous Year ₹ 155,861/-))	-	657,050
Aggregate amount of unquoted investments	540,040,000	150,010,000

13 Loans and advances

Particulars	Non-current		Current	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
Long Term Loans and Advances				
Security Deposits				
Unsecured, considered good	23,451,396	13,599,854	-	-
Other loans and advances				
Unsecured, considered good				
Income Tax	-	-	119,381,018	101,307,616
Prepaid Expenses	-	-	60,697,334	36,636,808
Balance with Excise Authorities	-	-	56,170,708	74,610,238
Vat Recoverable	-	-	10,562,113	16,059,963
Other Advances	-	-	49,762,202	44,685,031
Earnest Money Deposit	-	-	115,258,420	81,436,536
Advance to Suppliers	-	-	232,653,727	240,983,379
Total	23,451,396	13,599,854	644,485,521	595,719,572

4 Inventories

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
a. Raw Materials and components		
(i) In Hand		
(ii) Material-in-transit	1,113,209,454	1,075,704,962
b. Work-in-progress	20,867,597	22,577,148
c. Finished goods	1,035,732,261	993,627,958
d. Stores and spares	978,378,012	966,917,792
Total	3,320,832	3,108,880
	3,151,508,156	3,061,936,740



15 Trade Receivables

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade receivables (Unsecured) consist of the following:		
(a) Over six months from the date they were due for payment		
(i) Considered good	71,261,623	-
(ii) Considered doubtful	38,160,797	27,030,896
(b) Others		
(i) Considered good	5,050,096,284	4,009,790,653
	5,159,518,704	4,036,821,549
Less: Provision for doubtful receivables Unsecured, considered good	(38,160,797)	(27,030,896)
Total	5,121,357,907	4,009,790,653

16 Cash and Bank Balances

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Cash and Cash equivalents		
Balances with banks:		
In current Accounts	20,685,899	66,696,614
Deposits with maturity of less than three months		
Cash in hand	11,091,711	22,298,853
	31,777,610	88,995,467
Other Bank Balances		
Balances with Banks held as Margin Money	484,611,232	455,223,040
	484,611,232	455,223,040
Total	516,388,842	544,218,507

17 Other Current Assets

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Unsecured, considered good		
Duty Drawback Recoverable	1,683,191	205,868
Other Recoverable	39,640	2,007,684
Insurance claim Recoverable	13,344,834	4,851,488
Total	15,067,665	7,065,040

18 Other Income

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Interest Income {(TDS ₹ 39,97,302/-)(P.Y. ₹ 3,871,683/-)}	39,965,860	38,741,966
Other non-operating income (net of expenses directly attributable to such income)	8,590,375	8,463,702
Total	48,556,235	47,205,668



19 Consumption of Raw Materials & Components

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹	%	₹	%
i) Raw Materials consumption				
Indigenous	4,573,802,005	61.31	5,033,868,294	67.48
Imported	2,886,505,499	38.69	2,426,428,142	32.52
Total	7,460,307,504	100.00	7,460,296,436	100.00

19(a) Particulars of Raw Materials Consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Copper	1,304,692,956	1,163,070,666
Electronic Components	3,269,897,832	3,155,338,949
Engineering Plastic	1,115,798,928	799,439,150
Packing	158,710,035	211,364,270
Others	1,611,207,753	2,131,083,401
Total	7,460,307,504	7,460,296,436

20 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Inventories (at close)		
Finished Goods	978,378,012	966,917,792
Work-in-Progress	1,035,732,261	993,627,958
	2,014,110,273	1,960,545,750
Inventories (at commencement)		
Finished Goods	966,917,792	859,646,276
Work-in-Progress	993,627,958	815,098,507
	1,960,545,750	1,674,744,783
Total	(53,564,523)	(285,800,967)

21 Employee Benefits Expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Salaries and wages	1,006,265,455	614,065,079
(ii) Contribution to provident and other funds	21,731,544	12,478,814
(iii) Staff welfare expenses	38,955,675	38,086,141
Total	1,066,952,674	664,630,034

22 Finance Cost

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Interest Expenses	694,186,843	630,552,301
Other borrowing costs- Bank Charges	88,184,248	68,710,537
Total	782,371,091	699,262,838



23 Other Expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Consumption of stores and spare parts	4,101,525	4,438,223
Power and Fuel	139,942,219	120,841,359
Rent	32,193,608	30,869,901
Repairs to Buildings	4,250,381	5,230,074
Repairs to Machinery	18,987,809	14,835,637
Research & Development Expenses	67,788,779	61,291,626
Installation Expenses	62,506,319	14,787,898
Testing Expenses	38,362,625	21,596,005
Rates and taxes excluding taxes on income	1,969,556	12,162,446
Legal & Professional Expenses	23,706,403	19,436,378
Travelling & Conveyance	193,708,008	113,509,824
Communication Expenses	16,808,814	7,905,170
Printing & Stationery	8,241,700	6,340,098
Repairs & Maintenance (Others)	31,035,721	29,731,630
Insurance	12,083,689	10,131,048
Membership & Subscription	1,102,873	1,078,386
Selling & Distribution Expenses	570,918,513	879,938,283
Product Warranty	31,281,471	2,970,000
Loss on sale of Fixed Assets	149,809	116,367
Donation	2,591,800	3,337,726
Auditor's Remuneration	900,000	400,000
Miscellaneous Expenses	631,857	1,332,347
Total	1,263,263,479	1,362,280,426

24 As required by the Accounting Standard-20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earning Per Share is as follows :

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Profit after tax	370,424,029	343,623,813
(ii) Weighted average number of equity shares for basic EPS	46,429,199	46,429,199
(iii) Weighted average number of equity shares for dilutive EPS	46,429,199	46,429,199
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	7.98	7.40
(vi) Earning Per Share (Dilutive)	7.98	7.40

25 Auditor's Remuneration

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Audit Fees	720,000	300,000
Tax Audit Fees	180,000	100,000



26 C.I.F. Value of imports

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
I. Raw materials;	3,033,094,891	2,545,829,514
II. Capital goods	27,465,990	6,459,886

27 Expenditure in foreign currency

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
a) Travelling	1,399,902	681,905

28 Earnings in foreign currency

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Sales on FOB basis	142,407,590	279,980,832

29 Research & Development Expenditure :-

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Capital Expenditure	4,662,745	811,916
(ii) Revenue Expenditure	4,662,745	811,916
a) Employee Cost	59,581,761	51,797,330
b) Staff Welfare	1,049,882	1,215,276
c) Purchase of Raw Materials	3,009,741	3,871,178
d) Electricity Expenses	969,855	1,048,040
e) Communication Expenses	219,645	551,040
f) Travelling & Conveyance	1,387,206	1,378,719
g) Repair & Maintenance	1,261,144	1,061,825
h) Sample Testing	309,545	368,218
	67,788,779	61,291,626
Total	72,451,524	62,103,542

30 Particulars of Sale of products

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Metering	5,803,589,683	5,027,620,641
Switch Gears	1,916,967,206	2,462,297,773
Lighting	2,983,168,766	2,589,258,070
Cables	1,734,935,879	1,492,994,437
Total	12,438,661,534	11,572,170,921



Notes to Accounts forming part of the Financial Statements

31 Related Party Disclosure

As per Accounting Standard (AS 18) issued by the ICAI, related parties in terms of the said standard are as under :-

Particulars	31.03.2016	31.03.2015
	₹	₹
<u>Purchase of goods</u>		
1. Himachal Energy Pvt. Ltd	4,392,117	1,650,482
<u>Sale of goods</u>		
1. Himachal Energy Pvt. Ltd	332,400,159	470,140,228
2. Amerex Pvt. Ltd.	617,721	Nil
3. HPL India Ltd	113,679	3,411,180
<u>Purchase of fixed assets</u>		
1 Havells Electronics Pvt. Ltd	269,800	34,400,000
2. Himachal Energy Pvt. Ltd.	117,779,871	Nil
<u>Sale of Assets at Book Value</u>		
1. Himachal Energy Pvt. Ltd.	850,000,356	Nil
<u>Assignment of Receivables at Book Value</u>		
1. HPL India Ltd	347,218,822	Nil
<u>Purchase of Investment</u>		
1. Himachal Energy Pvt. Ltd	540,025,000	Nil
2. HPL Projects Portfolio Pvt.Ltd.	15,000	Nil
<u>Receiving of services</u>		
1. HPL India Ltd	180,000,000	480,000,000
<u>Sale of Investments (at Book Value)</u>		
1. Himachal Energy Pvt. Ltd	150,667,050	Nil
<u>Advance for Supply of Design</u>		
1. HPL India Ltd	67,511,447	Nil
<u>Managerial Remuneration</u>		
<u>Key Management Personnel</u>		
1. Mr. Lalit Seth	37,591,100	36,091,100
2. Mr. Rishi Seth	15,716,100	15,091,100
3. Mr. Gautam Seth	15,716,100	15,091,100
4. Mr. C.P. Jain	12,594,840	10,946,360
5. Mr. Vinod Ratan *	1,772,729	Nil
6. Mr. Vivek Kumar **	807,000	Nil
<u>Rent Paid</u>		
<u>Key Managerial Persons</u>		
1. Mr. Lalit Seth	3,600,000	3,600,000
2. Mr. Rishi Seth	3,600,000	3,600,000
3. Mr. Gautam Seth	3,600,000	3,600,000
4. Mr. Vinod Ratan *	87,097	Nil

* appointed as whole time director and Chief Financial Officer w.e.f. 21.01.2016

** appointed as Company Secretary w.e.f. 02.07.2015



Notes to Accounts forming part of the Financial Statements

Particulars	31.03.2016	31.03.2015
Rent Paid	₹	₹
Relatives of Key Managerial Persons		
1. Mrs. Praveen Seth	3,600,000	3,600,000
2. Mrs. Pooja Seth	600,000	600,000
3. Mrs. Vani Seth	600,000	600,000
4. Mrs. Archana Gupta	87,097	(Nil)

C. Summary of Outstanding Balances with the above states Related Parties for the respective years are as given below :

Particulars	As at 31.03.2016	As at 31.03.2015
NON CURRENT INVESTMENT		
Associates Companies		
1. HPL Projects Portfolio Private Limited	15,000	-
2. Himachal Energy Private Limited	540,025,000	-
3. HPL India Limited	-	150,000,000
TRADE RECEIVABLES		
Associates Companies		
1. Himachal Energy Private Limited	149,033,335	138,947,648
2. HPL India Limited	347,332,501	125,855,308
3. HPL Projects Portfolio Private Limited	290,000,000	-
Advance to associats		
1. HPL India Ltd	67,511,447	-
Advances to Joint Ventures		
1. Hpl Electric & Power Private Limited- THCPL-SD(JV)	34,951,994	28,440,093
2. Hpl Electric & Power Private Limited- Shriji Designs (JV)	13,402,429	14,389,740

Name of related parties with whom transactions made during the period and description of relationship :

(A) Associates :

- | | |
|-----------------------------------|-------------------------------------|
| (1) Himachal Energy Pvt. Ltd. | (2) HPL India Ltd. |
| (3) Havells Electronics Pvt. Ltd. | (4) HPL Projects Portfolio Pvt Ltd. |

(B) Key Management Personnel :

- | | |
|---------------------|---------------------|
| (1) Mr. Lalit Seth | (2) Mr. Rishi Seth |
| (3) Mr. Gautam Seth | (4) Mr. C.P.Jain |
| (5) Mr. Vinod Ratan | (6) Mr. Vivek Kumar |

(C) Relatives of Key Management Personnel

- | | |
|-----------------------|------------------------|
| (1) Mrs. Praveen Seth | (2) Mrs. Pooja Seth |
| (3) Mrs. Vani Seth | (4) Mrs. Archana Gupta |



Name of related parties with and description of relationship :

(A) Associates :

- | | |
|-----------------------------------|--------------------------------------|
| (1) Himachal Energy Pvt. Ltd. | (2) HPL India Ltd. |
| (3) LK HPL Pvt. Ltd. | (4) HPL Power Corporation Ltd. |
| (5) Havells Electronics Pvt. Ltd. | (6) Amerex India Pvt. Ltd. |
| (7) Jesons Impex Pvt. Ltd. | (8) Amerex Pvt. Ltd. |
| (9) Havells Pvt. Ltd. | (10) HPL Projects Portfolio Pvt Ltd. |

(B) Key Management Personnel :

- | | |
|---------------------|---------------------|
| (1) Mr. Lalit Seth | (2) Mr. Rishi Seth |
| (3) Mr. Gautam Seth | (4) Mr. C.P.Jain |
| (5) Mr. Vinod Ratan | (6) Mr. Vivek Kumar |

(C) Relatives of Key Management Personnel

- | | |
|-----------------------|------------------------|
| (1) Mrs. Praveen Seth | (2) Mrs. Pooja Seth |
| (3) Mrs. Vani Seth | (4) Mrs. Archana Gupta |

(D) Joint Ventures

- (1) Hpl Electric & Power Private Limited- THCPL-SD(JV)
- (2) Hpl Electric & Power Private Limited- Shriji Designs (JV)



Contingent Liability

32 Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets" :

a) Movement in Warranty provisions:

(₹ In INR)			
S.NO.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Opening Balance	47,680,000	44,710,000
2	Additional Provision During the period	31,281,471	2,970,000
3	Provision used\Reversed During the period	26,581,471	-
4	Balance as on 31.03.2016	52,380,000	47,680,000

b) Nature of provisions:

Product warranties:- Product warranty costs are accrued in the year of sale of products, based on past experience. The company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if any. The timing of outflow is expected to be with in one to two years.

33 Pursuant to Accounting Standard-27 "Financial Reporting of interests in Joint Ventures" specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, disclosures in respect of company's share in each of the assets, liabilities, incomes and expenses (each without elimination of the effect of transaction between the company and the Joint Venture) related to its interest in joint ventures, based on audited Financial Statements as on 31st March, 2016 is as under :-

(₹ In INR)					
S.no.	Particulars	HPL ELECTRIC & POWER PVT LTD - TRIMURTHI HITECH CO. PVT. LTD. - SHRIJI DESIGNS (JV)		HPL ELECTRIC & POWER PVT LTD - SHRIJI DESIGNS (JV)	
		31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
A	Liabilities				
	Current Liabilities				
	Trade Payables	2,644,276	6,082,980	686,513	922,072
	Other Current Liabilities	1,305,000	3,030,078	5,000	22,280
	Short Term Provisions	34,951,994	28,440,093	13,402,429	14,389,740
		38,901,270	37,553,151	14,093,942	15,334,092
B	Assets				
	Non-Current Assets				
	Fixed Assets				
	Tangible Assets	30,379	33,755	16,705	18,670
	Current Assets				
	Inventories	17,686,529	20,229,412	2,615,110	1,995,979
	Trade Receivables	1,512,515	1,027,280	686,801	3,104,988
	Cash and Bank Balances	27,593	57,791	148,916	45,026
	Short Term Loans and Advances	13,652,601	13,618,057	6,380,408	6,778,262
		32,879,238	34,932,540	9,831,235	11,924,255
C	Income				
	Revenue from Operations	10,987,768	14,808,795	187,674	5,345,943
	Other Income	14,480	-	128,880	65,920
		11,002,248	14,808,795	316,554	5,411,863
D	Expenses				
	Material Consumed	10,943,401	9,245,747	149,551	2,204,372
	Employee Benefit Expenses	3,460,267	5,734,661	1,019,107	1,213,647
	Other Expenses	3,376	4,480	2,732	10,170
		14,407,044	14,984,888	1,171,390	3,428,189



Notes to Accounts forming part of the Financial Statements

34 Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2016 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st Mar, 2016 - ₹ 349,666,845/- (P.Y. ₹ 201,696,384/-)
- Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)
- 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 period) but without adding the interest specified under the MSMED - Nil (P.Y. Nil)
- Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)

35 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

a **Defined Contribution Plans**

Contribution to Defined Contribution Plan, recognized as expenses for the period are as under :

	2015-16 ₹	2014-15 ₹
Employer's contribution to Provident Fund	19,451,059	10,042,096
Employer's contribution to ESI	2,108,265	2,288,129
Employer's contribution to Welfare Fund	172,220	148,589
	21,731,544	12,478,814

b **Defined Benefit Plans**

Reconciliation of opening and closing balance of Defined

i) **Benefit Obligation**

	Gratuity (Non Funded)	
	2015-16 ₹	2014-15 ₹
Defined Benefit obligation at beginning of period	18,430,457	15,807,082
Current Service Cost	5,029,897	3,134,974
Interest Cost	1,474,437	1,264,567
Actuarial (gain)/ loss	1,286,800	(580,347)
Benefits paid	(3,554,533)	(1,195,819)
Defined Benefit obligation at end of period	22,667,058	18,430,457

Reconciliation of Present value of Defined Benefit obligation and the Fair Value of Assets

Present Value of Funded Obligation	22,667,058	18,430,457
Fair Value of Plan Assets	-	-
Unfunded Net Liability recognized in the Balance Sheet disclosed under Long Term Provisions and Short Term Provision	22,667,058	18,430,457

ii) **Expenses recognized during the period**

Current Service Cost	5,029,897	3,134,974
Interest Cost	1,474,437	1,264,567
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the period	1,286,800	(580,347)
Net Cost	7,791,134	3,819,194

iii) **Actuarial Assumptions**

Discount Rate	8.00% p.a.	8.00% p.a.
Rate of escalation in salary(per annum)	3.5% p.a	3.5% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of Return on Plan Assets (per annum)	-	-
Withdrawal rate (Per Annum)	2% p.a.	2% p.a.



36 Borrowing Costs

A sum of Rs. NIL (P.Y. ₹37,466,047/-) attributable to the acquisition or construction of qualifying assets has been capitalized.

37 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17) "Accounting for Segment Reporting" issued by The Institute of Chartered Accountants of India.

Segment Reporting Policies

a) Identification of Segments:

Primary-Business Segment

The company has identified four reportable segments viz Metering, Lighting and cables on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Others"

(1) Primary Business Segment

(A) Revenue

Segment Revenue (Gross)

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Metering	5,803,589,683	5,027,620,641
Switchgear	1,916,967,206	2,462,297,773
Lighting	2,983,168,766	2,589,258,070
Cables	1,734,935,879	1,492,994,437
	12,438,661,534	11,572,170,921

(B) Results

Segment Results

Metering	1,026,747,201	713,442,125
Switchgear	367,585,306	467,984,805
Lighting	542,919,100	504,125,004
Cables	76,843,419	83,373,186
	2,014,095,026	1,768,925,120

Unallocated expenses net of income	743,521,675	634,025,848
Operating Profit	1,270,573,351	1,134,899,272
Interest Expenses	782,371,091	699,262,838
Profit before tax	488,202,260	435,636,434
Tax Expenses	117,778,231	92,012,621
Profit after tax	370,424,029	343,623,813

(C) Other Information

Segment Assets

Metering	6,299,356,602	4,934,172,731
Switchgear	2,840,104,951	2,592,707,315
Lighting	2,325,170,901	2,347,094,033
Cables	1,249,302,511	1,156,285,512
Unallocated	671,599,993	420,659,808
	13,385,534,958	11,450,919,399

Segment Liabilities

Metering	2,188,009,458	1,286,161,889
Switchgear	683,101,461	775,830,842
Lighting	348,214,892	288,088,109
Cables	442,983,949	285,194,809
Unallocated	5,933,140,824	5,442,393,526
	9,595,450,583	8,077,669,175



Capital Expenditure

Metering	351,353,703	205,271,164
Switchgear	127,975,511	216,950,395
Lighting	12,333,207	3,173,281
Cables	7,487,877	5,360,590
	499,150,298	430,755,430

Depreciation

Metering	93,396,435	80,214,598
Switchgear	56,804,554	47,188,066
Lighting	23,520,176	23,167,119
Cables	19,927,478	11,446,727
	193,648,642	162,016,510

Segment Revenue

The following is the distribution of Company's revenue by geographical market :-

Domestic Market	12,287,489,753	11,269,204,563
Overseas Market	151,171,781	302,966,358
	12,438,661,534	11,572,170,921

38 The disclosure related to Deferred Tax Assets/ Liabilities are given below :

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability :	₹	₹
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 2013	59,431,712	-
Provision for Leave Encashment	73,997	1,379,679
Provision for Bonus	-	534,354
	59,505,709	1,914,033
Deferred Tax Assets :		
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 2013	-	3,354,928
Provision for Gratuity	2,186,000	639,561
Provision for Doubtful Debts	3,338,970	-
Provision for Warranty	1,410,000	-
Provision for Bonus	572,508	-
	7,507,478	3,994,489
Expense/ (Income) recognized in the Statement of Profit & Loss	51,998,231	(2,080,456)
Add : Opening Liability	185,280,108	187,360,564
Net Deferred Tax Liability	237,278,339	185,280,108

39 **Prior Period Items**

Prior period expenses during the period ended 31st Mar, 2016 Rs.Nil (P.Y. ₹ 21,87,833/-)

Intangible Assets

40 In accordance with Accounting Standard - 26 on "Intangible Assets", miscellaneous expenditure incurred by the company is being charged off to Statement of Profit & Loss, unless it qualifies to be an intangible assets, in which case it shall be recognized as permitted by the standard.

Derivative Instruments

41 a) Outstanding forward exchange contracts as at 31st Mar, 2016 entered by the Company for the purpose of hedging its foreign currency exposures are as under :-

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	Nil	Nil
Previous Year	Indian Rupees	₹ 99,754,200/- *	Nil

*ECB of USD 20,30,000 availed from ICICI Bank Ltd.



HPL ELECTRIC & POWER LTD (Formerly Known as HPL Electric & Power Pvt. Ltd.)

b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at Mar 31,2016 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 986,052,922/-	Nil
Previous Year	Indian Rupees	₹ 611,098,392/-	Nil

42 The Company had issued commercial papers amounting to ₹ 70.00 Crs. in two tranches of Rs. 30 crores and Rs. 40 crores during the year ending 31st Mar, 2016 which was subscribed by HDFC Bank Ltd at discounted yield of 9.20% p.a. The commercial papers were issued for 90 days with maturity on 8th June, 2016 & 29th June, 2016 respectively.

43 The Company has entered into two joint venture agreements for carrying out Railway electrification as per details given below :

S. No.	Name of the joint Ventures	Proportion of ownership interest	Country of Residence
i	HPL Electric & Power Pvt.Ltd.-Shriji Designs (JV)	97% (P.Y. 97%)	India
ii	HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs(JV)	94% (P.Y. 94%)	India

Since the above joint ventures have the constitution of 'Association of Persons' (AOPs), there is no fixed investment in these joint ventures. The short term mismatches in receipts and payments of these joint ventures are bridged by the Company. The maximum balance outstanding at any point of time during the year was ₹ 5.01 Crs. (P.Y. ₹ 10.82 Crs.) and closing balance as on 31st March, 2016 was ₹ 4.84 Crs.(P.Y. ₹ 4.28 Crs.).

44 As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The company has formed the trust to this specified purpose and will start contributing once this trust is registered with the concerned authorities.

45 The Company has taken various residential/ commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the company by entering into these leases. Lease payments recognized in the Statement of Profit & Loss as rent expenses for the period.

46 Contingent Liabilities:

S.No	Name of Statute	Description	As at 31.03.2016	As at 31.03.2015
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	4,537,620	4,537,620
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	1,039,777	1,039,777
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	1,640,315	1,640,315
d)	Finance Act, 1994	Demand for Service Tax Credit before CESTAT, New Delhi for 2007-08 to 2010-11	2,282,778	2,282,778
e)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2015-16	363,724	363,724
f)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	113,300	113,300
g)	Finance Act, 1994	Demand for Cenvat Credit before CESTAT, New Delhi for 2008-09	13,259,022	13,259,022



i)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	2,551,306	2,551,306
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	1,782,796	1,782,796
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	477,590	477,590
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	1,844,796	1,844,796
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Sonapat for 2011-12	2,318,867	2,318,867
n)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	438,376	438,376
o)	Central Excise Act, 1944	Show cause notice received towards Excise duty demand towards duty benefits availed.	8,249,356	Nil
p)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	134,477	Nil
q)	Liability towards banks against receivable buyouts facility*	Liability towards banks against receivable buyouts facility*	430,000,000	300,000,000

* The company has utilised a receivable buy out facility as stated above from Indusind Bank Ltd. against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.

Notes :1. Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provision has been considered in the books of the accounts.

47 Contingent Assets:

As at 31st March, 2016
Nil

As At 31st March, 2015
Nil

48 Figures pertaining to previous year have been regrouped, reclassified to confirm to the classification of current/corresponding period on the lines of Accounting Principles, standards & as well as restated standalone financial information.

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED :

4 JUN 2016



Lalit Seth
Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth
Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar
Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth
Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta
V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar
Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

SAHNI MEHRA & CO.
Chartered Accountants

73, SUNDER NAGAR, NEW DELHI-110003

Telephone No. 011-26142750,26142304

HPL ELECTRIC & POWER LTD.
Annual Report 2015-16

Independent Auditor's Report on Consolidated Financial Statements

To the Members of
HPL ELECTRIC & POWER LTD.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statement of **HPL ELECTRIC & POWER LTD.** (hereinafter referred to as "the Venturer Company") and its Joint Ventures with 1.HPL Electric & Power Pvt Ltd-Shriji Designs (JV) and 2.HPL Electric & Power Pvt Ltd.-Trimurthi Hitech Co. Pvt. Ltd-Shriji Designs (JV)(together referred as "Group") which comprise the consolidated balance sheet as at March 31, 2016, consolidated statement of Profit and loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Group's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of these consolidated financial statements by the Board of the Director's of the Group.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Group as at 31st March, 2016 and its Profit and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
 - c) the consolidated Balance Sheet and consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) on the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act; and
- f) with respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigation on its consolidated financial statements.
 - ii. The Group did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Group.



For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

Ramesh Sahni
(Ramesh Sahni)
(Proprietor)
Membership No. : 009246

Place: New Delhi

Date: **4 JUN 2016**

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Consolidated Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **HPL ELECTRIC & POWER LTD.** (hereinafter referred to as "theVenturer Company") and its Joint Ventures with 1.HPL Electric & Power Pvt Ltd-Shriji Designs (JV) and 2.HPL Electric & Power Pvt Ltd.-TrimurthiHitech Co. Pvt. Ltd-Shriji Designs (JV) (together referred as "Group")as of March 31, 2016in conjunction with our audit of the consolidated financial statement of the groupfor the year then ended and as on that date.

Management's Responsibility for the Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components on internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records,and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on theGroup's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Notes, to the extant applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reportingand their operating effectiveness. Our audit of internal financial controls over financial reportingincluded obtaining an understanding of internal financial controls over financial reporting,assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend of the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Group's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and that receipts and expenditures of the group are being made only in accordance with authorisation of the management and directors of the group, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note.



For **SAHNI MEHRA & CO.**
Chartered Accountants
(Registration No. 000609N)

(Ramesh Sahni)
(Proprietor)

Membership No. : 009246

Place: New Delhi

Date:

4 JUN 2016

HPL ELECTRIC & POWER LTD
(Formerly Known as HPL Electric & Power Pvt. Ltd.)
Consolidated Balance Sheet As At 31st March 2016

(Amount in ₹)

Particulars	Note No.	As At 31st March, 2016	As At 31st March, 2015
EQUITY AND LIABILITIES			
Share Holder's Fund			
(a) Share Capital	2	464,291,990	185,716,790
(b) Reserves & Surplus	3	3,078,276,391	2,996,275,303
		3,542,568,381	3,181,992,093
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,162,136,288	953,665,051
(b) Deferred Tax Liability (Net)	5	237,278,339	185,280,108
(c) Other Long Term Liabilities	6	138,859,606	175,115,586
(d) Long Term Provisions	7	50,079,757	15,973,610
		1,588,353,990	1,330,034,355
Current Liabilities			
(a) Short Term Borrowings	8	4,313,863,060	3,898,679,762
(b) Trade Payables	9	3,323,955,430	2,568,109,580
(c) Other Current Liabilities	10	534,892,295	403,710,566
(d) Short Term Provisions	7	76,304,936	72,472,430
		8,249,015,721	6,942,972,338
		13,379,938,092	11,454,998,786
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,345,750,750	3,067,974,408
(ii) Capital Work in Progress		27,531,805	-
(b) Non-Current Investments	12	540,040,000	150,667,050
(c) Long Term Loans and Advances	13	23,451,396	13,599,854
		3,936,773,951	3,232,241,312
Current Assets			
(a) Inventories	14	3,171,809,795	3,084,162,131
(b) Trade Receivables	15	5,123,557,223	4,013,922,922
(c) Cash and Bank Balances	16	516,565,351	544,321,324
(d) Short Term Loans & Advances	13	616,164,107	573,286,057
(e) Other Current Assets	17	15,067,665	7,065,040
		9,443,164,141	8,222,757,474
		13,379,938,092	11,454,998,786

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 45)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED : . 4 JUN 2016



For and on behalf of Board
Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

HPL ELECTRIC & POWER LTD

(Formerly Known as HPL Electric & Power Pvt. Ltd.)

Consolidated Statement of Profit and Loss for the period ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue from operations		12,449,836,976	11,592,325,659
Less: Excise Duty		1,286,036,643	1,121,054,878
Revenue from operations (Net)		11,163,800,333	10,471,270,781
II. Other income	18	48,699,595	47,271,588
III. Total Revenue (I + II)		11,212,499,928	10,518,542,369
IV. Expenses:			
Cost of materials consumed	19	7,468,090,061	7,463,021,130
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(53,564,523)	(285,800,967)
Employee Benefits Expenses	21	1,072,089,796	676,388,336
Finance Cost	22	782,371,858	699,271,536
Depreciation and Amortization Expenses	11	193,653,983	162,022,462
Other Expenses	23	1,265,916,126	1,366,195,857
Total expenses		10,728,557,301	10,081,098,355
V. Profit before tax (III-IV)		483,942,628	437,444,014
VI. Tax Expense:			
(1) Current tax		104,190,000	92,155,540
(2) Deferred tax		51,998,231	(2,080,456)
(3) Mat Credit entitlement		(38,410,000)	1,937,537
VII. Profit for the year (V-VI)		366,164,397	345,431,393
VIII. Earnings per equity share:	24		
(1) Basic		7.89	7.40
(2) Diluted		7.89	7.40

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 45)

As per our report of even date attached

For and on behalf of Board

FOR SAHNI MEHRA & CO.

CHARTERED ACCOUNTANTS

Ramesh Sahni

RAMESH SAHNI
PROPRIETOR

M.No. : 009246

F.R.N. : 000609N

PLACE : NEW DELHI

DATED :

04/06/2016

4 JUN 2016



Lalit Seth

Lalit Seth

Chairman and Managing Director
DIN-00312007

Rishi Seth

Rishi Seth

Joint Managing Director
DIN-00203469

Vivek Kumar

Vivek Kumar

Company Secretary
M.No. A18491

Gautam Seth

Gautam Seth

Joint Managing Director
DIN-00203405

V.R. Gupta

V.R. Gupta

Director and CFO
DIN-07401017

Neeraj Kumar

Neeraj Kumar

DGM-Accounts & Finance
M.No.508653

(Amount in ₹)

Particulars	As At 31st March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	483,942,628	437,444,014
Adjustments for :		
- Depreciation and amortisation Expenses	193,653,983	162,022,462
- Finance Expenses	782,371,858	699,271,536
- Interest Income	(39,965,860)	(38,741,966)
- Loss / (Profit) on Sale of Fixed Assets	149,809	116,367
Operating profit before working capital changes	1,420,152,418	1,260,112,413
Adjustments for :		
Decrease/(Increase) in Trade receivables	(1,109,634,301)	(731,860,000)
Decrease/(Increase) in Security Deposits	(9,851,542)	1,259,022
Decrease/(Increase) in Short Term Advances	42,635,362	(212,840,000)
Decrease/(Increase) in Other Current Assets	(8,002,625)	1,360,000
(Decrease)/Increase in Inventories	(87,647,664)	(481,840,000)
(Decrease)/Increase in Short Term Provision	479,641	12,173,286
(Decrease)/Increase in Securities Deposits	(36,255,980)	4,050,000
(Decrease)/Increase in Long Term Provision	34,106,147	2,506,086
(Decrease)/Increase in Other Current Liabilities	109,217,948	20,220,000
(Decrease)/Increase in Trade Payables	755,845,850	502,240,000
Cash Generated from operations	1,111,045,254	377,380,807
- Taxes Paid (Net of Refunds)	(83,781,966)	(108,298,926)
NET CASH FROM OPERATING ACTIVITIES	1,027,263,288	269,081,881
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(471,618,493)	(721,104,170)
- (Increase)/ Decrease in Capital WIP	(27,531,805)	290,348,740
- Purchases of Investment (Net)	(389,372,950)	-
- Proceeds from Sale of fixed assets	38,361	973,584
- Capital Advances (Net of Capital Creditors)	(67,511,448)	-
- Interest Income Received	39,965,860	38,741,966
NET CASH USED IN INVESTING ACTIVITIES	(916,030,475)	(391,039,879)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Working Capital Loan (Net)	415,183,298	742,839,225
- Proceeds from Secured Long Term Loan (Net)	230,435,018	159,997,056
- Finance Expenses	(782,371,858)	(699,262,838)
- Proceeds from Security Premium	(278,575,200)	-
- Proceeds from issue of share capital	278,575,200	-
- Dividends Paid on equity shares	(1,857,168)	(1,857,168)
- Tax on Dividends Paid on equity shares	(378,076)	(315,626)
NET CASH USED IN FINANCING ACTIVITIES	(138,988,786)	201,400,650
Net changes in cash & cash equivalents (A+B+C)	(27,755,973)	79,442,652
Cash & Cash equivalents - Opening balance	544,321,324	464,878,672
Cash & Cash equivalents - Closing Balance	516,565,351	544,321,324

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 45)

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED :

4 JUN 2016



For and on behalf of Board

Lalit Seth
Lalit Seth

Chairman and Managing Director
DIN-00312007

Rishi Seth
Rishi Seth

Joint Managing Director
DIN-00203469

Vivek Kumar
Vivek Kumar

Company Secretary
M.No. A18491

Gautam Seth
Gautam Seth

Joint Managing Director
DIN-00203405

V.R. Gupta
V.R. Gupta

Director and CFO
DIN-07401017

Neeraj Kumar
Neeraj Kumar

DGM-Accounts & Finance
M.No.508653

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
(Annexed to and forming part of the Consolidated Financial Statements for the year ended 31st March, 2016)

COMPANY OVERVIEW

HPL ELECTRIC & POWER LTD. (hereinafter referred to as "the Venturer Company") and its Joint Ventures with 1.HPL Electric & Power Pvt Ltd-Shriji Designs (JV) and 2.HPL Electric & Power Pvt Ltd.-TrimurthiHitech Co. Pvt. Ltd-Shriji Designs (JV)(together referred as "Group") is domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Group is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at 6 locations, 2 units at Gurgaon, 1 unit at village Bastara, Tehsil Gharaunda, Karnal, 1 unit at village Bhigan, Ganauar, Sonipat, 1 unit at Kundli in Haryana and 1 unit at village Shavela, Jabli in Himachal Pradesh.

The Group has R&D facilities located at Gurgaon and Kundli in Haryana, approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology.

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

The consolidated financial statement have been prepared under historical cost convention on accrual basis of accounting in accordance with the applicable accounting principles in India including the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

B) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

C) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in



the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

D) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately.

The depreciation on assets for a value not exceeding ` 5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over estimated useful life of asset on Straight Line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

E) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired.

F) Inventories

- a) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.
- b) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.
- c) Purchased Goods-in-transit are carried at cost.
- d) Stores and Spares are valued at lower of cost or net realizable value.
- e) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

G) Revenue Recognition

The Group recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount/ trade obligations and sales tax. Export sales are recognized on the date of shipping/Air Way Bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income/expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

H) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.



I) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the consolidated statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

J) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The Group has defined contribution plans for the post employment benefits namely provident fund scheme. The Group's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The Group has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains/losses are immediately taken to Consolidated Statement of Profit and Loss.

K) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investment individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

L) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

M) Cash Flow

Cash Flow are reported according to the indirect method as specified in the Accounting Standard-3(Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

N) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Group accepts its liability.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the consolidated financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes



the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Group is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

O) Lease

Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Consolidated Statement of Profit and Loss as and when incurred.

P) Foreign Currency Transactions, Derivative instruments And Hedge Accounting

a) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing at the end of month, which approximates the rate on the date of transaction.

Gain/ loss arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Consolidated Statement of profit and loss.

Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the year end and the overall net gain/ loss are adjusted to the Consolidated Statement of profit and loss.

b) Derivative Instruments and Hedge Accounting

The Group uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates these as cash flow hedges applying the principles set out in the Accounting Standard 30 "Financial Instruments: Recognition Measurement" (AS-30).

Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholder's funds and the ineffective portion is recognized immediately in the consolidated Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Consolidated Statement of Profit and Loss as



they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At the time of forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Consolidated Statement of Profit and Loss for the period.

Q) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

R) Provisions and Contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Group periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

S) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are complied and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Group is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

Segment Reporting

The segment reporting of the Group has been prepared in accordance with Accounting Standard-17, "Segment Reporting".

1) Identification of Segments:

Primary- Business Segment

The Group has identified four reportable segments viz. Electronic Energy Static Meters, Switchgears, Lighting and Cables on the basis of the nature of products. The risk and return profile of individual business & the internal Business reporting systems.

2) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the Customers.



- 3) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".
- 4) Segment assets and segment liabilities represent assets and liabilities in Respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of Board

Ramesh Sahni



RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED :

4 JUN 2016

Lalit Seth

Lalit Seth
Chairman and Managing Director
DIN-00312007

Rishi Seth

Rishi Seth
Joint Managing Director
DIN-00203469

Vivek Kumar

Vivek Kumar
Company Secretary
M.No. A18491

Gautam Seth

Gautam Seth
Joint Managing Director
DIN-00203405

V.R. Gupta

V.R. Gupta
Director and CFO
DIN-07401017

Neeraj Kumar

Neeraj Kumar
DGM-Accounts & Finance
M.No.508653

Notes to Accounts forming part of the Financial Statements as on 31st March 2016

2 Share Capital

(Amt in ₹)

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
(a) Authorized 70,000,000 Equity Shares of ₹ 10/- each (Previous year 20,000,000 Equity Shares of ₹ 10/- each)	700,000,000	200,000,000
(b) Issued, Subscribed & Paid Up 46,429,199 Equity Shares of ₹ 10/- each fully paid up (Previous year 18,571,679 Equity Shares of 10/- each fully paid up) (out of above 27,857,520 shares issued as fully paid up bonus shares by capitalization of securities premium account)	464,291,990	185,716,790
Total	464,291,990	185,716,790

b (c) Reconciliation of share capital at the beginning and close of the accounting period ended 31st Mar 2016 :-

Particulars	As At 31st March, 2016		As at 31st March, 2015	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	18,571,679	185,716,790	18,571,679	185,716,790
Shares Issued during the period (Bonus Shares)	27,857,520	278,575,200	-	-
Shares outstanding at the end of the period	46,429,199	464,291,990	18,571,679	185,716,790

c Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share (previous year Rs. 10/- per share). Each holder of equity shares is entitled to one vote per share. A final dividend of Rs. 0.10 per share (previous year Rs. 0.10 per share) has been recommended by the board of directors and subject to approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d

Name of Shareholder	As At 31st March, 2016		As at 31st March, 2015	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	7,703,098	16.59	3,081,239	16.59
HPL India Ltd.	11,738,238	25.28	4,695,295	25.28
Havell's Pvt. Ltd.	2,842,655	6.12	1,137,062	6.12
Havell's Electronics Pvt. Ltd	11,652,130	25.10	4,660,852	25.10
Himachal Energy Pvt. Ltd.	5,625,000	12.12	2,250,000	12.12

3 Reserves and Surplus

(a) Securities Premium Account	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Opening Balance	755,715,980	755,715,980
Less : Utilized on issue of Bonus shares	278,575,200	-
Closing Balance	477,140,780	755,715,980

(b) General Reserve	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Opening Balance	242,131,417	227,131,417
(+) Current Year Transfer	15,000,000	15,000,000
Closing Balance	257,131,417	242,131,417



(c) Surplus	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Opening balance	1,998,427,906	1,931,557,027
(+) Net Profit/(Loss) For the current period	366,164,397	345,431,394
(-) Proposed Dividend	4,642,919	1,857,168
(-) Tax on Proposed Dividend	945,190	378,076
(-) Transfer to General Reserve	15,000,000	15,000,000
(-) Impact of transitional provision as per Schedule II of the Companies Act, 2013	-	261,325,271
Closing Balance	2,344,004,194	1,998,427,906
Total Reserves & Surplus (a+b+c)	3,078,276,391	2,996,275,303

4 Long Term Borrowings

Particulars	Non-Current		Current Maturities	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
Secured				
Term Loan	721,666,662	540,057,945	138,333,338	40,000,000
Corporate Loan	440,469,626	413,607,106	174,999,992	150,000,000
ECBs	-	-	-	99,754,200
Other Loans	-	-	-	-
Vehicle loans - from banks	-	-	649,946	2,265,296
Total	1,162,136,288	953,665,051	313,983,276	292,019,496

Term Loan of ₹ 860,000,000/- (P.Y. ₹ 580,057,945/-) consists of two term loans of ₹ 460,000,000/- (P.Y. ₹ 400,000,000/-) (TL-1), ₹ 40,000,000/- (P.Y. ₹ 180,057,945/-) (TL-2)

TL-1 is secured by 1st charge over immovable and moveable fixed assets of the company situated at Gharaunda, Distt. Karnal, Haryana and personal guarantees of Promoter Directors, which is repayable in 20 unequal quarterly installments w.e.f. June, 2015 due for maturity in March, 2020. The rate of interest is linked with Base Rate of the bank + spread.

TL-2 is secured by first charge over Land & Building situated at Plot No 357Q, Pace City II, Sector-37, Gurgaon and personal guarantees of promoter directors, which is repayable in 48 unequal monthly installments w.e.f. July, 2016 and due for maturity in March, 2020. The rate of interest is linked with Base Rate of the bank + spread.

Corporate Loan of ₹ 615,469,618/- (P.Y. ₹ 563,607,106/-) consists of three Corporate Loans i.e. ₹ 151,041,673/- (P.Y. ₹ 213,607,106/-) (CL-1), ₹ 262,500,000/- (P.Y. ₹ 350,000,000/-) (CL-2) and ₹ 201,927,945/- (P.Y. Nil) (CL-3).

CL-1 is secured by 1st charge on Land and Building and Plant & Machinery, (to the extent of Rs. 8.25 Crs.), situated at 76-B, Sector 57, Phase- IV, Industrial Area, Kundli, Haryana and personal guarantees of promoter directors, which is repayable in 48 equal monthly installments w.e.f. October, 2014 and due for maturity in September, 2018 carrying interest rate at base rate of bank + spread.

CL-2 is secured by first pari-passu charge on current assets of the company to the extent of ₹ 35.00 Crs., exclusive charge on specific fixed assets created out of the corporate loan to the extent of ₹ 10.00 Crs. Exclusive charge on property situated at plot no-27, Block-A Sector-9, Noida, Uttar Pradesh of Group Company its corporate guarantee and personal guarantee of promoter directors.

CL-3 is secured by first charge of Land & Building and plant and machinery situated at Vill Shavela, P.O. Jabli, Tehsil Kasauli, Dist Solan (Himachal Pradesh) and assets created from this financial assistance and personal guarantee of promoter directors, which is repayable in 16 quarterly installments of 1.25 Crs with the first installment commencing after a moratorium period of one year from 30.11.2016.

ECB of Nil (P.Y. ₹ 99,754,200/-) is from ICICI Bank Ltd.

Vehicle loans are secured against hypothecation of respective vehicles and are repayable in maximum 36 monthly installments and the last date of installment is Dec, 2016.

5 Deferred Tax Liability

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Deferred Tax Liability:		
Opening Balance	185,280,108	187,360,564
Addition :- Deferred Tax Liability / (Assets)	51,998,231	(2,080,456)
Total	237,278,339	185,280,108



6 Other Long Term Liabilities

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Security deposit received	138,859,606	175,115,586
Total	138,859,606	175,115,586

7 Provisions

Particulars	Long-term		Short-term	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
(a) Provision for employee benefits				
Gratuity	29,019,757	15,973,610	2,197,301	2,456,847
Leave Encashment	-	-	37,199,526	20,100,339
(b) Other Provisions				
Proposed Equity Dividend	-	-	4,642,919	1,857,168
Provision for tax on Proposed Dividend	-	-	945,190	378,076
Provision for Warranties	21,060,000	-	31,320,000	47,680,000
Provision for Income Tax	-	-	-	-
Total	50,079,757	15,973,610	76,304,936	72,472,430

8 Short Term Borrowings

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Loans repayable on demand		
-Secured Loans		
- From Banks	3,613,863,060	3,498,679,762
-Unsecured Loans		
- From Banks	700,000,000	400,000,000
Total	4,313,863,060	3,898,679,762

* Working capital facilities (fund based and non-fund based) are secured by way of first pari-passu charge over the current assets of the company including receivables both present and future by way of hypothecation with corporate loan lender (IDBI Bank to the extent of Rs. 35.00 Crs) and on land and building of the company at its two units and all fixed assets of the company which are not financed by any other term lender. These facilities are further secured by second pari-passu charge over entire fixed assets of the company on which other lenders have first charge excluding assets financed by IDBI Bank and Kotak Mahindra Bank, on which these banks have excluding charge and the personal guarantees of the promoter directors.

9 Trade Payables

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade Payables		
(a) Due to Micro, Small and Medium Enterprises under MSMED Act, 2006*	349,666,845	201,696,384
(b) Others	2,974,288,585	2,366,413,196
Total	3,323,955,430	2,568,109,580

* Refer note no.34

10 Other Current Liabilities

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Current maturities of long-term debt	313,983,276	292,019,496
Other Payable	130,300,558	77,445,192
T.D.S. Payable	20,912,832	12,757,372
Service Tax Payable	3,897,881	995,916
Sales Tax Payable	61,377,062	18,262,698
Contribution to PF & ESI	4,420,686	2,229,892
Total	534,892,295	403,710,566



11 FIXED ASSETS

S. No.	Particulars	GROSS BLOCK					DEPRECIATION BLOCK				NET BLOCK	
		AS AT 01.04.2015	Additions	Adjustment	Set off from Retained Earnings	AS AT 31.03.2016	AS AT 01.04.2015	For the Period	Adjustments	TOTAL 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
A TANGIBLE												
1	Freehold Land	536,178,345	-	-	-	536,178,345	-	-	-	-	536,178,345	536,178,345
2	Building	1,062,476,811	25,954,828	-	-	1,088,431,639	77,993,841	33,993,326	-	111,987,167	976,444,472	984,482,970
3	Plant & Machinery	1,904,679,756	426,013,835	275,880	-	2,330,417,711	473,165,691	143,354,333	87,710	616,432,314	1,713,985,397	1,431,514,065
4	Furniture & Fittings	53,696,306	10,961,400	-	-	64,657,706	23,819,565	5,140,323	-	28,959,887	35,697,819	29,824,316
5	Office Equipment's	111,149,545	7,700,030	-	-	118,849,575	53,207,741	5,081,564	-	58,289,305	60,560,270	57,941,804
6	Vehicles	46,845,159	988,400	-	-	47,833,559	18,864,676	6,084,437	-	24,949,113	22,884,446	27,980,483
	TOTAL (A)	3,715,025,922	471,618,493	275,880	-	4,186,368,536	647,051,514	193,653,982	87,710	840,617,786	3,345,750,750	3,067,921,983
	Previous Year (A)	3,257,983,376	721,104,170	2,810,813	261,325,271	3,714,951,462	486,733,831	162,016,510	1,720,862	647,029,479	3,067,921,983	2,771,249,545
B INTANGIBLE												
1	Software & Designs	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
	TOTAL (B)	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
	Previous Year (B)	12,819,562	-	-	-	12,819,562	12,819,562	-	-	12,819,562	-	-
C CAPITAL WORK IN PROGRESS												
1	Machinery	-	27,531,805	-	-	27,531,805	-	-	-	-	27,531,805	-
	TOTAL (C)	-	27,531,805	-	-	27,531,805	-	-	-	-	27,531,805	-
	Previous Year (C)	290,348,740	-	290,348,740	-	-	-	-	-	-	-	290,348,740
	CURRENT YEAR (A+B+C)	3,727,845,484	499,150,299	275,880	-	4,226,719,903	659,871,076	193,653,982	87,710	853,437,348	3,373,282,555	3,067,921,983
	PREVIOUS YEAR (A+B+C)	3,561,151,678	721,104,170	293,159,553	261,325,271	3,727,771,024	499,553,393	162,016,510	1,720,862	659,849,041	3,067,921,983	3,061,598,285



12 Non-Current Investments

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Non-Trade Investments (Valued at Cost)		
Investment in Equity instruments		
Quoted Non-Trade*	-	657,050
Unquoted Non-Trade		
HPL India Limited		
Nil (P.Y. 75000 shares of Rs. 10 each)	-	150,000,000
Himachal Energy Pvt Ltd		
20 Equity Shares (P.Y. Nil)	20,000	-
HPL Projects Portfolio Private Limited		
10 Equity Shares (P.Y. Nil)	15,000	-
Investments in Preference Shares		
500 10% Cumulative Compulsorily Redeemable Preference Shares in Himachal (P.Y. Nil)	5,000	-
Investments in Mutual Funds		
	-	10,000
Investment In Debentures		
Himachal Energy Pvt Ltd		
1,50,00,000 optionable convertible debentures Face value of ₹ 10/- each (P.Y. Nil)	540,000,000	-
Total	540,040,000	150,667,050

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Aggregate amount of quoted investments (Market Value Nil (Previous Year ₹ 155,861/-))	-	657,050
Aggregate amount of unquoted investments	540,005,000	150,010,000

13 Loans and advances

Particulars	Non-current		Current	
	As At 31st March, 2016	As at 31st March, 2015	As At 31st March, 2016	As at 31st March, 2015
	₹	₹	₹	₹
Long Term Loans and Advances				
Security Deposits				
Unsecured, considered good	23,451,396	13,599,854	-	-
Other loans and advances				
Unsecured, considered good				
Income Tax	-	-	121,923,564	103,921,600
Prepaid Expenses	-	-	60,697,334	36,636,808
Balance with Excise Authorities	-	-	58,404,977	76,116,516
Vat Recoverable	-	-	11,461,543	16,941,079
Other Advances	-	-	13,348,812	6,596,671
Earnest Money Deposit	-	-	125,974,150	92,090,004
Advance to Suppliers	-	-	224,353,727	240,983,379
Total	23,451,396	13,599,854	616,164,107	573,286,057

14 Inventories

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
a. Raw Materials and components		
(i) In Hand	1,133,511,093	1,097,930,353
(ii) Material-in-transit	20,867,597	22,577,148
b. Work-in-progress	1,035,732,261	993,627,958
c. Finished goods	978,378,012	966,917,792
d. Stores and spares	3,320,832	3,108,880
Total	3,171,809,795	3,084,162,131



15 Trade Receivables

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade receivables (Unsecured) consist of the following:		
(a) Over six months from the date they were due for payment		
(i) Considered good	71,261,623	-
(ii) Considered doubtful	38,160,797	27,030,896
(b) Others		
(i) Considered good	5,052,295,600	4,013,922,922
	5,161,718,020	4,040,953,818
Less: Provision for doubtful receivables Unsecured, considered good	(38,160,797)	(27,030,896)
Total	5,123,557,223	4,013,922,922

16 Cash and Bank Balances

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Cash and Cash equivalents		
Balances with banks:		
In current Accounts	20,862,408	66,799,431
Deposits with maturity of less than three months		
Cash in hand	11,091,711	22,298,853
	31,954,119	89,098,284
Other Bank Balances		
Balances with Banks held as Margin Money	484,611,232	455,223,040
	484,611,232	455,223,040
Total	516,565,351	544,321,324

17 Other Current Assets

Particulars	As At 31st March, 2016	As at 31st March, 2015
	₹	₹
Unsecured, considered good		
Duty Drawback Recoverable	1,683,191	205,868
Other Recoverable	39,640	2,007,684
Insurance claim Recoverable	13,344,834	4,851,488
Total	15,067,665	7,065,040

18 Other Income

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Interest Income {(TDS ₹ 39,97,302/-)(P.Y. ₹ 3,871,683/-)}	39,965,860	38,741,966
Other non-operating income (net of expenses directly attributable to such income)	8,733,735	8,529,622
Total	48,699,595	47,271,588



19 Consumption of Raw Materials & Components

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹	%	₹	%
i) Raw Materials consumption				
Indigenous	4,581,584,562	61.35	5,036,592,988	67.49
Imported	2,886,505,499	38.65	2,426,428,142	32.51
Total	7,468,090,061	100.00	7,463,021,130	100.00

19(a) Particulars of Raw Materials Consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Copper	1,304,692,956	1,163,070,666
Electronic Components	3,269,897,832	3,155,338,949
Engineering Plastic	1,115,798,928	799,439,150
Packing	158,710,035	211,364,270
Others	1,618,990,310	2,133,808,095
Total	7,468,090,061	7,463,021,130

20 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Inventories (at close)		
Finished Goods	978,378,012	966,917,792
Work-in-Progress	1,035,732,261	993,627,958
	2,014,110,273	1,960,545,750
Inventories (at commencement)		
Finished Goods	966,917,792	859,646,276
Work-in-Progress	993,627,958	815,098,507
	1,960,545,750	1,674,744,783
Total	(53,564,523)	(285,800,967)

21 Employee Benefits Expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Salaries and wages	1,011,402,577	625,823,381
(ii) Contribution to provident and other funds	21,731,544	12,478,814
(iii) Staff welfare expenses	38,955,675	38,086,141
Total	1,072,089,796	676,388,336

22 Finance Cost

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Interest Expenses	694,186,843	630,552,301
Other borrowing costs- Bank Charges	88,185,015	68,719,235
Total	782,371,858	699,271,536



23 Other Expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Consumption of stores and spare parts	4,101,525	4,438,223
Power and Fuel	139,942,219	120,841,359
Rent	32,621,940	32,198,028
Repairs to Buildings	4,250,381	5,230,074
Repairs to Machinery	18,987,809	14,835,637
Research & Development Expenses	67,788,779	61,291,626
Installation Expenses	62,506,319	14,787,898
Testing Expenses	38,362,625	21,608,005
Rates and taxes excluding taxes on income	1,972,224	12,165,056
Legal & Professional Expenses	24,059,953	19,521,878
Travelling & Conveyance	194,244,181	114,313,289
Communication Expenses	16,839,420	7,972,760
Printing & Stationery	8,257,817	6,394,564
Repairs & Maintenance (Others)	31,297,453	30,261,744
Insurance	12,224,248	10,585,492
Membership & Subscription	1,102,873	1,078,386
Selling & Distribution Expenses	571,566,645	880,075,789
Product Warranty	31,281,471	2,970,000
Loss on sale of Fixed Assets	149,809	116,367
Donation	2,591,800	3,337,726
Auditor's Remuneration	910,000	410,000
Miscellaneous Expenses	856,635	1,761,956
Total	1,265,916,126	1,366,195,857

24 As required by the Accounting Standard-20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earning Per Share is as follows :

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Profit after tax	366,164,397	343,623,813
(ii) Weighted average number of equity shares for basic EPS	46,429,199	46,429,199
(iii) Weighted average number of equity shares for dilutive EPS	46,429,199	46,429,199
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	7.89	7.40
(vi) Earning Per Share (Dilutive)	7.89	7.40

25 Auditor's Remuneration

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Audit Fees	720,000	300,000
Tax Audit Fees	180,000	100,000

26 C.I.F. Value of imports

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
I. Raw materials;	3,033,094,891	2,545,829,514
II. Capital goods	27,465,990	6,459,886

27 Expenditure in foreign currency

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
a) Travelling	1,399,902	681,905



28 · Earnings in foreign currency

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Sales on FOB basis	142,407,590	279,980,832

29 Research & Development Expenditure :-

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
(i) Capital Expenditure	4,662,745	811,916
(ii) Revenue Expenditure	4,662,745	811,916
a) Employee Cost	59,581,761	51,797,330
b) Staff Welfare	1,049,882	1,215,276
c) Purchase of Raw Materials	3,009,741	3,871,178
d) Electricity Expenses	969,855	1,048,040
e) Communication Expenses	219,645	551,040
f) Travelling & Conveyance	1,387,206	1,378,719
g) Repair & Maintenance	1,261,144	1,061,825
h) Sample Testing	309,545	368,218
	67,788,779	61,291,626
Total	72,451,524	62,103,542

30 Particulars of Sale of products

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
Metering	5,803,589,683	5,027,620,641
Switch Gears	1,916,967,206	2,462,297,773
Lighting	2,983,168,766	2,589,258,070
Cables	1,734,935,879	1,492,994,437
Projects	11,175,442	20,154,738
Total	12,449,836,976	11,592,325,659



31 Related Party Disclosure

As per Accounting Standard (AS 18) issued by the ICAI, related parties in terms of the said standard are as under :-

Particulars	31.03.2016	31.03.2015
	₹	₹
Purchase of goods		
1. Himachal Energy Pvt. Ltd	4,392,117	1,650,482
Sale of goods		
1. Himachal Energy Pvt. Ltd	332,400,159	470,140,228
2. Amerex Pvt. Ltd.	617,721	Nil
3. HPL India Ltd	113,679	3,411,180
Purchase of fixed assets		
1 Havells Electronics Pvt. Ltd	269,800	34,400,000
2. Himachal Energy Pvt. Ltd.	117,779,871	Nil
Sale of Assets at Book Value		
1. Himachal Energy Pvt. Ltd.	850,000,356	Nil
Assignment of Receivables at Book Value		
1. HPL India Ltd	347,218,822	Nil
Purchase of Investment		
1. Himachal Energy Pvt. Ltd	540,025,000	Nil
2. HPL Projects Portfolio Pvt.Ltd.	15,000	Nil
Receiving of services		
1. HPL India Ltd	180,000,000	480,000,000
Sale of Investments (at Book Value)		
1. Himachal Energy Pvt. Ltd	150,667,050	Nil
Advance for Supply of Design		
1. HPL India Ltd	67,511,447	Nil
Managerial Remuneration		
Key Management Personnel		
1. Mr. Lalit Seth	37,591,100	36,091,100
2. Mr. Rishi Seth	15,716,100	15,091,100
3. Mr. Gautam Seth	15,716,100	15,091,100
4. Mr. C.P. Jain	12,594,840	10,946,360
5. Mr. Vinod Ratan *	1,772,729	Nil
6. Mr. Vivek Kumar **	807,000	Nil
Rent Paid		
Key Managerial Persons		
1. Mr. Lalit Seth	3,600,000	3,600,000
2. Mr. Rishi Seth	3,600,000	3,600,000
3. Mr. Gautam Seth	3,600,000	3,600,000
4. Mr. Vinod Ratan*	87,097	Nil

* Appointed as whole time director and Chief Financial Officer w.e.f. 21.01.2016

** Appointed as Company Secretary w.e.f. 02.07.2015



Notes to Accounts forming part of the Financial Statements

Particulars	31.03.2016	31.03.2015
Rent Paid	₹	₹
Relatives of Key Managerial Persons		
1. Mrs. Praveen Seth	3,600,000	3,600,000
2. Mrs. Pooja Seth	600,000	600,000
3. Mrs. Vani Seth	600,000	600,000
4. Mrs. Archana Gupta	87,097	(Nil)

C. Summary of Outstanding Balances with the above states Related Parties for the respective years are as given below :

Particulars	As at 31.03.2016	As at 31.03.2015
NON CURRENT INVESTMENT		
Associates Companies		
1. HPL Projects Portfolio Private Limited	15,000	-
2. Himachal Energy Private Limited	540,025,000	-
3. HPL India Limited	-	150,000,000
TRADE RECEIVABLES		
Associates Companies		
1. Himachal Energy Private Limited	149,033,335	138,947,648
2. HPL India Limited	347,332,501	125,855,308
3. HPL Projects Portfolio Private Limited	290,000,000	-
Advance to associats		
1. HPL India Ltd	67,511,447	-

Name of related parties with whom transactions made during the period and description of relationship :

(A) Associates :

- (1) Himachal Energy Pvt. Ltd.
(3) Havells Electronics Pvt. Ltd.

- (2) HPL India Ltd.
(4) HPL Projects Portfolio Pvt Ltd.

(B) Key Management Personnel :

- (1) Mr. Lalit Seth
(3) Mr. Gautam Seth
(5) Mr. Vinod Ratan

- (2) Mr. Rishi Seth
(4) Mr. C.P.Jain
(6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

- (1) Mrs. Praveen Seth
(3) Mrs. Vani Seth

- (2) Mrs. Pooja Seth
(4) Mrs. Archana Gupta

(A) Associates :

- (1) Himachal Energy Pvt. Ltd.
(3) LK HPL Pvt. Ltd.
(5) Havells Electronics Pvt. Ltd.
(7) Jesons Impex Pvt. Ltd.
(9) Havells Pvt. Ltd.

- (2) HPL India Ltd.
(4) HPL Power Corporation Ltd.
(6) Amerex India Pvt. Ltd.
(8) Amerex Pvt. Ltd.
(10) HPL Projects Portfolio Pvt Ltd.



(B) Key Management Personnel :

- (1) Mr. Lalit Seth
- (3) Mr. Gautam Seth
- (5) Mr. Vinod Ratan

- (2) Mr. Rishi Seth
- (4) Mr. C.P.Jain
- (6) Mr. Vivek Kumar

(C) Relatives of Key Management Personnel

- (1) Mrs. Praveen Seth
- (3) Mrs. Vani Seth

- (2) Mrs. Pooja Seth
- (4) Mrs. Archana Gupta



Notes to Accounts forming part of the Financial Statements

32 Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2016 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st Mar, 2016 - ₹ 349,666,845/- (P.Y. ₹ 201,696,384/-)
- Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)
- 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 period) but without adding the interest specified under the MSMED - Nil (P.Y. Nil)
- Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)

33 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

a **Defined Contribution Plans**

Contribution to Defined Contribution Plan, recognized as expenses for the period are as under :

	As at 31st March, 2016	As at 31st March, 2015
Employer's contribution to Provident Fund	19,451,059	10,042,096
Employer's contribution to ESI	2,108,265	2,288,129
Employer's contribution to Welfare Fund	172,220	148,589
	21,731,544	12,478,814

b **Defined Benefit Plans**

Reconciliation of opening and closing balance of Defined

i) **Benefit Obligation**

	Gratuity (Non Funded)	
Defined Benefit obligation at beginning of period	18,430,457	15,807,082
Current Service Cost	5,029,897	3,134,974
Interest Cost	1,474,437	1,264,567
Actuarial (gain)/ loss	1,286,800	(580,347)
Benefits paid	(3,554,533)	(1,195,819)
Defined Benefit obligation at end of period	22,667,058	18,430,457

Reconciliation of Present value of Defined Benefit obligation and the Fair Value of Assets

Present Value of Funded Obligation	22,667,058	18,430,457
Fair Value of Plan Assets	-	-
Unfunded Net Liability recognized in the Balance Sheet disclosed under Long Term Provisions and Short Term Provision	22,667,058	18,430,457

ii) **Expenses recognized during the period**

Current Service Cost	5,029,897	3,134,974
Interest Cost	1,474,437	1,264,567
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the period	1,286,800	(580,347)
Net Cost	7,791,134	3,819,194

iii) **Actuarial Assumptions**

Discount Rate	8.00% p.a.	8.00% p.a.
Rate of escalation in salary(per annum)	3.5% p.a	3.5% p.a
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of Return on Plan Assets (per annum)	-	-
Withdrawal rate (Per Annum)	2% p.a.	2% p.a.

34 **Borrowing Costs**

A sum of NIL (P.Y. ₹37,466,047/-) attributable to the acquisition or construction of qualifying assets has been capitalized.



35 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17) "Accounting for Segment Reporting" issued by The Institute of Chartered Accountants of India.

Segment Reporting Policies**a) Identification of Segments:****Primary-Business Segment**

The company has identified four reportable segments viz Metering, Lighting and cables on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Others"

(1) Primary Business Segment**(A) Revenue**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Segment Revenue (Gross)		
Metering	5,803,589,683	5,027,620,641
Switchgear	1,916,967,206	2,462,297,773
Lighting	2,983,168,766	2,589,258,070
Cables	1,734,935,879	1,492,994,437
Projects	11,175,442	20,154,738
	12,449,836,976	11,592,325,659

(B) Results**Segment Results**

Metering	1,026,747,201	713,442,125
Switchgear	367,585,306	467,984,805
Lighting	542,919,100	504,125,004
Cables	76,843,419	83,373,186
Projects	(4,259,632)	1,807,581
	2,009,835,394	1,770,732,701

Unallocated expenses net of income	743,521,675	634,025,848
Operating Profit	1,266,313,719	1,134,899,272
Interest Expenses	782,371,091	699,271,536
Profit before tax	483,942,628	437,444,014
Tax Expenses	117,778,231	92,012,621
Profit after tax	366,164,397	345,431,393

(C) Other Information**Segment Assets**

Metering	6,251,002,179	4,934,172,731
Switchgear	2,840,104,951	2,592,707,315
Lighting	2,325,170,901	2,347,094,033
Cables	1,249,302,511	1,156,285,512
Unallocated	671,599,993	377,829,976
Projects	42,757,558	46,909,220
	13,379,938,092	11,454,998,786

Segment Liabilities

Metering	2,188,009,458	1,286,161,889
Switchgear	683,101,461	775,830,842
Lighting	348,214,892	243,378,109
Cables	442,983,949	285,194,809
Unallocated	5,933,140,824	5,487,103,526
Projects	4,640,789	10,057,410
	9,600,091,372	8,087,726,585



Capital Expenditure

Metering	351,353,703	205,271,164
Switchgear	127,975,511	216,950,395
Lighting	12,333,207	3,173,281
Cables	7,487,877	5,360,590
	499,150,298	430,755,430

Depreciation

Metering	93,401,776	80,220,550
Switchgear	56,804,554	47,188,066
Lighting	23,520,176	23,167,119
Cables	19,927,478	11,446,727
	193,653,983	162,022,462

Segment Revenue

The following is the distribution of Company's revenue by geographical market :-

Domestic Market	12,298,665,195	11,289,359,301
Overseas Market	151,171,781	302,966,358
	12,449,836,976	11,592,325,659

36 The disclosure related to Deferred Tax Assets/ Liabilities are given below :

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability :	₹	₹
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 2013	59,431,712	-
Provision for Leave Encashment	73,997	1,379,679
Provision for Bonus	-	534,354
	59,505,709	1,914,033

Deferred Tax Assets :		
Fixed Assets: Impact of difference between Depreciation as per Income Tax Act, 1961 and Companies Act, 2013	-	3,354,928
Provision for Gratuity	2,186,000	639,561
Provision for Doubtful Debts	3,338,970	-
Provision for Warranty	1,410,000	-
Provision for Bonus	572,508	-
	7,507,478	3,994,489
Expense/ (Income) recognized in the Statement of Profit & Loss	51,998,231	(2,080,456)
Add : Opening Liability	185,280,108	187,360,564
Net Deferred Tax Liability	237,278,339	185,280,108

37 Prior Period Items

Prior period expenses during the period ended 31st Mar, 2016 Nil (P.Y. ₹ 21,87,833/-)

Intangible Assets

- 38 In accordance with Accounting Standard - 26 on "Intangible Assets", miscellaneous expenditure incurred by the company is being charged off to Statement of Profit & Loss, unless it qualifies to be an intangible assets, in which case it shall be recognized as permitted by the standard.

Derivative Instruments

- 39 a) Outstanding forward exchange contracts as at 31st Mar, 2016 entered by the Company for the purpose of hedging its foreign currency exposures are as under :-

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	Nil	Nil
Previous Year	Indian Rupees	₹ 99,754,200/- *	Nil

*ECB of USD 20,30,000 availed from ICICI Bank Ltd.



HPL ELECTRIC & POWER LTD (Formerly Known as HPL Electric & Power Pvt. Ltd.)

b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at Mar 31,2016 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 986,052,922/-	Nil
Previous Year	Indian Rupees	₹ 611,098,392/-	Nil

- 40 The Company had issued commercial papers amounting to ₹ 70.00 Crs. in two tranches of Rs. 30 crores and Rs. 40 crores during the year ending 31st Mar, 2016 which was subscribed by HDFC Bank Ltd at discounted yield of 9.20% p.a. The commercial papers were issued for 90 days with maturity on 8th June, 2016 & 29th June, 2016 respectively.
- 41 As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The company has formed the trust to this specified purpose and will start contributing once this trust is registered with the concerned authorities.
- 42 The Company has taken various residential/ commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the company by entering into these leases. Lease payments recognized in the Statement of Profit & Loss as rent expenses for the period.
- 43 **Contingent Liabilities:**

S.No	Name of Statute	Description	As at 31.03.2016	As at 31.03.2015
a)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08	4,537,620	4,537,620
b)	Central Excise Act, 1944	Demand for Excise Duty before CESTAT, New Delhi for 2007-08.	1,039,777	1,039,777
c)	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	1,640,315	1,640,315
d)	Finance Act, 1994	Demand for Service Tax Credit before CESTAT, New Delhi for 2007-08 to 2010-11	2,282,778	2,282,778
e)	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13 to 2015-16	363,724	363,724
f)	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	113,300	113,300
g)	Finance Act, 1994	Demand for Cenvat Credit before CESTAT, New Delhi for 2008-09	13,259,022	13,259,022
h)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	2,551,306	2,551,306
i)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	1,782,796	1,782,796
j)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	477,590	477,590
k)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	1,844,796	1,844,796
l)	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Sonapat for 2011-12	2,318,867	2,318,867
m)	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	438,376	438,376



HPL ELECTRIC & POWER LTD (Formerly Known as HPL Electric & Power Pvt. Ltd.)

n)	Central Excise Act, 1944	Show cause notice received towards Excise duty demand towards duty benefits availed.	8,249,356	Nil
o)	Finance Act, 1994	Show cause notice received towards demand of Service Tax availed for 2015-16.	134,477	Nil
p)	Contingent Liability	Liability towards banks against receivable buyouts facility*	430,000,000	300,000,000

* The company has utilised a receivable buy out facility as stated above from Indusind Bank Ltd. against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.

Notes :1. Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provision has been considered in the books of the accounts.

44 Contingent Assets:

As At 31st March, 2016

Nil

As At 31st March, 2015

Nil

45 Figures pertaining to previous year have been regrouped, reclassified to confirm to the classification of current/corresponding period on the lines of Accounting Principles, standards & as well as restated standalone financial information.

For and on behalf of Board

As per our report of even date attached
FOR SAHNI MEHRA & CO.
CHARTERED ACCOUNTANTS

Ramesh Sahni

RAMESH SAHNI
PROPRIETOR
M.No. : 009246
F.R.N. : 000609N
PLACE : NEW DELHI
DATED :



4 JUN 2016

Lalit Seth
Lalit Seth
Chairman and Managing Director
DIN-00312007

Gautam Seth
Gautam Seth
Joint Managing Director
DIN-00203405

Rishi Seth
Rishi Seth
Joint Managing Director
DIN-00203469

V.R. Gupta
V.R. Gupta
Director and CFO
DIN-07401017

Vivek Kumar
Vivek Kumar
Company Secretary
M.No. A18491

Neeraj Kumar
Neeraj Kumar
DGM-Accounts & Finance
M.No.508653