



# Gupta D K & Co.

Chartered Accountants,

Office Phone : 011-41545574, Mobile : 9810007758

FRN - 037049N, | E-mail : dineshfca@gmail.com

Address : 3507/6 First Floor, Pyare Lal Road, Karol Bagh, New Delhi-110005

## Independent Auditor's Report

To the Members of

HIMACHAL ENERGY PVT LTD.

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the financial statements of Himachal Energy Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of Changes in Equity and standalone statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with The Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters	How the matter was addressed in our audit
<b>Revenue Recognition</b> Revenue is one of the key profit drivers and is therefore susceptible to misstatement.	<b>Principal Audit Procedures</b> Our audit procedures with regard to revenue recognition included testing controls,



<p>Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>automated and manual, around dispatches / deliveries, inventory recognitions and circularization of receivables balances, substantive testing for cut-offs and analytical review procedures.</p>
--	---

### Information Other than the Financial Statements and Auditor's Report Thereon

The company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

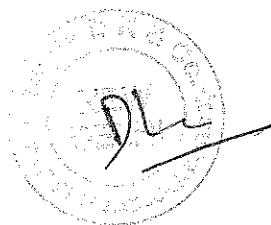
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Boards of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to



influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced.

We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the result of our work, and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including the Standalone Statement of Other Comprehensive Income), the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed pending litigations and the impact on its financial position - refer note 39 to the Standalone Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has not declared and paid any dividend during the year.



v. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

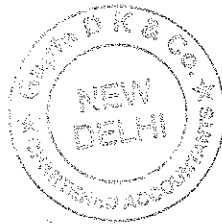
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

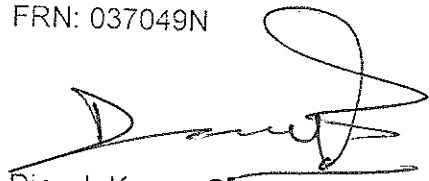
(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: New Delhi  
Date: 15<sup>th</sup> May, 2024



For Gupta D K & Co.  
Chartered Accountants  
FRN: 037049N

  
Dinesh Kumar Gupta  
Proprietor  
M.No. 086824  
UDIN:24086824BJZZKX4422

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Himachal Energy Pvt Ltd. on the standalone financial statements as of and for the year ended March 31, 2024.

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in Note 3 of the standalone financial statements, are held in the name of the Company,
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does or arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding Benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) formerly the Benami Transactions (Prohibition) Act, 1988(45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the company has appropriately disclosed the details in its financial statement does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such

verifications by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification on inventory as compared to book record were not 10% or more in aggregate for each class of inventory.

- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.
- iii. The company has not made investments in any other company during the year. The Company has not granted secured/unsecured loans/advanced in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clauses 3(iii)(a), (iii) (c), (iii)(d),(iii)(e) and (iii)(f) or the Order are not applicable to the company.
- iv. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, in our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the investments made by it and the Company has not provided any loans, guarantees of security to the parties covered under Section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the central Government of India, the Company is not required to maintain cost records as specified under section 148(1) of the Act in respect of its products and accordingly reporting under Clause (VI) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident funds, employees' state insurance, income to duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and Explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The Particulars of the statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:



Nature of Statute	Nature of Dues	Financial Year to which the matter pertains	Forum where the dispute is pending	Amount (Rs. In lakhs)
PF	PF Demand	2011-16	EPF Appellate Tribunal	3.02

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short – term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on the overall examinations of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the order is not applicable to the company.

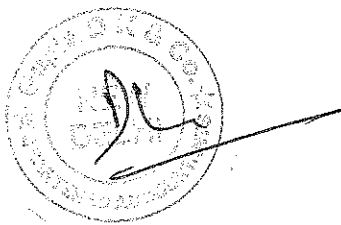




- (b) The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the order is not applicable to the company.
- xi. (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the act in form ADT-4 as prescribed under rules 13 of companies( Audit and Auditors) rules, 2014 was not required to be filled with the central government, Accordingly, the reporting under clause 3(xi)(b) of the order is not applicable to the company.
- (c) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the company has not received any whistle – blower complaints during the year.
- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the order is not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provision of sections 177 and 188 of the Act. The details of such related parties transaction have been disclosed in the stand alone financial statements as required under Indian Accounting Standards 24, “Related Party Disclosures” specified under section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal auditors for the period under audit have been considered by us.
- xv. The company has not entered into any non - cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of section 192, of the act under clause 3(xv) of the order is not applicable to the company.

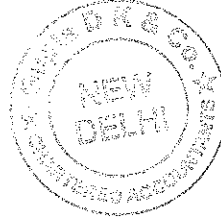


- xiv. (a). The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the order is not applicable to the company.
- (b) The company has not conducted non – banking financial / housing finance activity during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) Based on the information and explanation provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3 (xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xvii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance of sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance to the future viability of the company. We further state that are reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the order are not applicable to the Company.



xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

Place: New Delhi  
Date: 15<sup>th</sup> May 2024



**For Gupta D K & Co.**

Chartered Accountants

FRN: 037049N

  
Dinesh Kumar Gupta

Proprietor

M.No: 086824

UDIN:24086824BJZZKX4422



# Gupta D K & Co.

Chartered Accountants,

Office Phone : 011-41545574, Mobile : 9810007758

FRN - 037049N, | E-mail : dineshfca@gmail.com

Address : 3507/6 First Floor, Pyare Lal Road, Karol Bagh, New Delhi-110005

HIMACHAL ENERGY PVT LTD.

Annual Report 2023-24

## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Himachal Energy Private Limited of even date)

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 **HIMACHAL ENERGY PVT LTD.** ('the Company') as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year then ended and as on that date.

### Management's Responsibility for the Internal Financial Controls

The Board of Directors of the company 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 of 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, 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 Companies Act 2013.

### 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 Guidance Note on Audit of Internal financial Controls Over Financial Reporting (The Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act 2013, 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' judgment, including the assessment of the risks of material misstatement of the 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 authorization of the management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

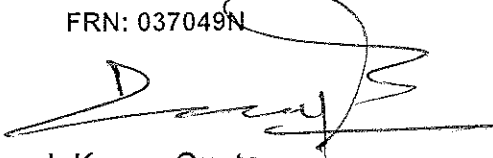
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountant of India.

### **UDIN:**

Place: -New Delhi  
Date: 15<sup>th</sup> May 2024



For Gupta D K & Co,  
Chartered Accountants  
FRN: 037049N

  
Dinesh Kumar Gupta  
Proprietor  
M. No. 086824  
UDIN:24086824BJZZKX4422

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4,364.18	4,615.93
Capital work in progress	3	339.95	150.31
<b>Financial assets</b>			
i. Loans	4	8.51	8.51
Deferred tax assets (Net)	5	1,454.83	1,504.01
<b>Total non-current assets</b>		<b>6,167.47</b>	<b>6,278.76</b>
<b>Current Assets</b>			
Inventories	6	1,565.36	1,929.54
<b>Financial assets</b>			
i. Trade receivables	7	4,576.09	5,673.52
ii. Cash and cash equivalents	8	426.16	356.99
iii. Bank balances other than (ii) above	9	350.68	458.17
iv. Other financial assets	10	155.73	144.35
Current tax assets (Net)	11	13.72	-
Other current assets	12	370.43	397.32
<b>Total current assets</b>		<b>7,458.17</b>	<b>8,959.89</b>
<b>Total assets</b>		<b>13,625.64</b>	<b>15,238.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,544.00	1,544.00
Other equity	14	5,068.69	4,859.37
<b>Total equity</b>		<b>6,612.69</b>	<b>6,403.37</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15	2,092.50	2,150.23
Provisions	16	88.77	72.16
<b>Total non-current liabilities</b>		<b>2,181.27</b>	<b>2,222.39</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	15	2,093.69	1,970.66
ii. Trade payables	17		
a) total outstanding dues of micro enterprises and small enterprises		484.99	715.92
b) total outstanding dues of creditors other than micro enterprises and small enterprises		915.90	1,231.63
iii. Other financial liabilities	18	1,257.52	2,559.06
Current tax liabilities (Net)	11	-	10.39
Other current liabilities	19	52.74	94.78
Provisions	16	26.84	30.45
<b>Total current liabilities</b>		<b>4,831.68</b>	<b>6,612.89</b>
<b>Total liabilities</b>		<b>7,012.95</b>	<b>8,835.28</b>
<b>Total equity and liabilities</b>		<b>13,625.64</b>	<b>15,238.65</b>

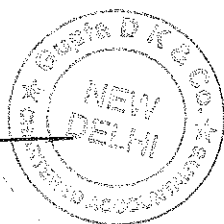
The accompanying notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE APPENDED TO THE BALANCE SHEET

For Gupta DK & Co.  
Chartered Accountants  
(Firm Registration No. : 037049N)

(Dinesh Kumar Gupta)  
(Proprietor)  
(M. No. 086824)  
Place : New Delhi  
Date : 15-May-2024

UDIN-24086824 BJZZ RK 4422



For and on behalf of Board

Yash Pal Sharma  
Director  
DIN-10082572  
Priyanshu Kandhway  
Company Secretary  
M No. A45651

Renu Arora  
Director  
DIN-10090318  
Meeraj Kumar  
Chief Financial Officer  
M No. 508653

HIMACHAL ENERGY PRIVATE LIMITED

CIN: U31909HP2003PTC027983

Statement of profit and loss for the year ended 31st March 2024

(₹ in Lakhs)

Particulars		Notes	Year ended 31st March 2024	Year ended 31st March 2023
<b>Income:</b>				
I.	Revenue from operations	20	8,299.70	10,742.09
II.	Other income	21	48.06	34.27
III.	<b>Total income (I + II)</b>		<b>8,347.76</b>	<b>10,776.36</b>
<b>Expenses:</b>				
IV.	Cost of materials consumed	22	5,869.20	8,571.21
	Changes in inventories of finished goods, work-in-progress	23	(63.42)	(217.13)
	Employee Benefits Expense	24	554.95	518.23
	Finance Cost	25	451.58	447.03
	Depreciation and Amortization Expenses	26	341.99	339.99
	Other Expenses	27	852.60	723.59
	<b>Total expenses</b>		<b>8,006.90</b>	<b>10,382.92</b>
V.	<b>Profit before tax (III-IV)</b>		<b>340.86</b>	<b>393.44</b>
<b>Income tax expense:</b>				
VI.	(1) Current tax	28	75.26	84.03
	(2) Deferred tax	28	51.16	60.20
VII.	<b>Profit for the year (VI-VII)</b>		<b>214.44</b>	<b>249.21</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
	Remeasurement of post employment benefit obligations		(7.09)	(8.29)
	Income tax relating to these items		1.97	2.31
	<b>Other comprehensive income for the year, net of tax</b>		<b>(5.12)</b>	<b>(5.98)</b>
VIII.	<b>Total comprehensive income for the year</b>		<b>209.32</b>	<b>243.23</b>
<b>Earnings per equity share of ₹10/- each:</b>				
IX.	(1) Basic	29	1.39	1.61
	(2) Diluted		1.39	1.61

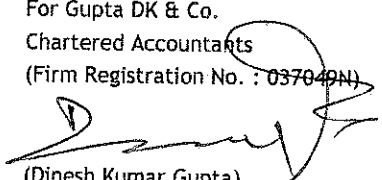
The accompanying notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE APPENDED TO THE BALANCE SHEET

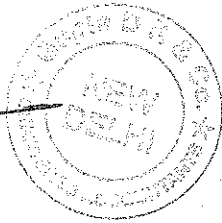
For Gupta DK & Co.

Chartered Accountants

(Firm Registration No. : 037040N)

  
(Dinesh Kumar Gupta)  
(Proprietor)

(M. No. 086824)

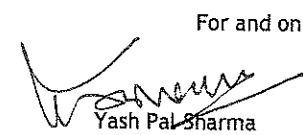


Place : New Delhi

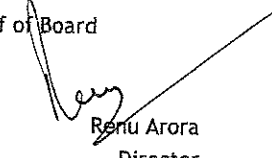
Date : 15-May-2024

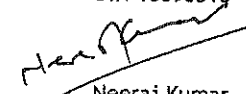
UDIN 24086824BJZ2KX4422

For and on behalf of Board

  
Yash Pal Sharma  
Director  
DIN-10082572

  
Priyanshu Kandhway  
Company Secretary  
M No. A45651

  
Renu Arora  
Director  
DIN-10090318

  
Neeraj Kumar  
Chief Financial Officer  
M No. 508653

Cash Flow Statement For the year ended 31st March 2024

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax	340.86	393.44
Adjustments for :		
- Depreciation and amortisation Expenses	341.99	339.99
- Finance Expenses	451.58	447.03
- Interest Income	(47.91)	(32.87)
- Loss / (profit) on sale of fixed assets	0.02	0.29
<b>Operating profit before working capital changes</b>	<b>1,086.54</b>	<b>1,147.88</b>
Adjustments for :		
Decrease/(Increase) in Trade receivables	1,097.43	(1,194.61)
Decrease/(increase) in other financial and non-financial assets	15.51	(121.64)
Decrease/(Increase) in Inventories	364.18	(100.57)
Increase/(Decrease) in non-current liabilities	126.61	124.81
Increase/(Decrease) in Other financial liabilities	(1,354.29)	794.59
(Decrease)/increase in trade payables	(546.66)	441.17
<b>Cash Generated from operations</b>	<b>789.32</b>	<b>1,091.63</b>
- Taxes paid (net of refunds)	(99.37)	(122.34)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>689.95</b>	<b>969.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of property, plant and equipments	(90.26)	(542.51)
- (increase)/ decrease in capital work in progress	(189.64)	77.88
- Interest Income Received	47.91	32.87
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(231.99)</b>	<b>(431.76)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds/(Repayment) - working capital loan (net)	123.03	46.42
- Proceeds /(Repayment) - secured long term loan	(167.73)	(474.50)
- Finance Expenses	(451.58)	(447.03)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(496.28)</b>	<b>(875.11)</b>
Net changes in cash & cash equivalents (A+B+C)	(38.32)	(337.58)
Cash & Cash equivalents - Opening balance	815.16	1,152.74
Cash & Cash equivalents - Closing Balance	776.84	815.16

The accompanying notes are an integral part of financial statements

As per our report of even date attached  
For Gupta DK & Co.  
Chartered Accountants  
(Firm Registration No. - 037049N)

(Dinesh Kumar Gupta)  
(Proprietor)  
(M. No. 086824)  
Place : New Delhi  
Date : 15-May-2024

UPIN - 24086824 B5ZZ KX4422



For and on behalf of Board

Yash Pal Sharma  
Director  
DIN-10082572

Priyanshu Kandhway  
Company Secretary  
M No. A45651

Renu Arora  
Director  
DIN-10090318

Neeraj Kumar  
Chief Financial Officer  
M No. 508653



**HIMACHAL ENERGY PRIVATE LIMITED****Statement of changes in equity for the year ended 31st March 2024****I) Equity Share Capital**

(₹ in Lakhs)

Particulars	Notes	Amounts
Balance as at 1st April 2022		1,544.00
Changes during the year	13	-
Balance as at 31st March 2023		1,544.00
Changes during the year	13	-
Balance as at 31st March 2024		1,544.00

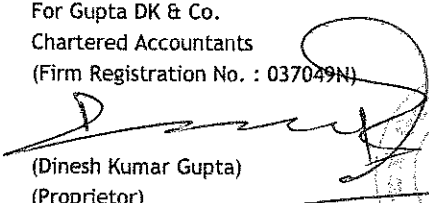
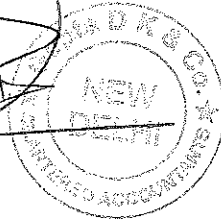
**II) Other equity**

(₹ in Lakhs)

Particulars	Notes	General reserve	Retained earnings	Total
Balance as at 1st April 2022	14	1,217.00	3,399.14	4,616.14
Profit for the year			249.21	249.21
Other comprehensive income			(5.98)	(5.98)
Total comprehensive income		-	243.23	243.23
Balance as at 31st March 2023		1,217.00	3,642.37	4,859.37
Profit for the year			214.44	214.44
Other comprehensive income			(5.12)	(5.12)
Total comprehensive income		-	209.32	209.32
Balance as at 31st March 2024		1,217.00	3,851.69	5,068.69

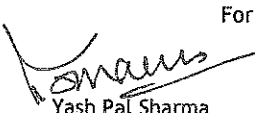
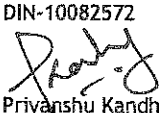
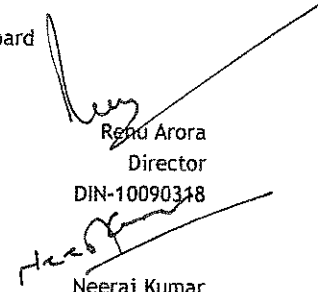
**The accompanying notes are an integral part of financial statements**

AS PER OUR REPORT OF EVEN DATE APPENDED TO THE BALANCE SHEET

For Gupta DK & Co.  
Chartered Accountants  
(Firm Registration No. : 037049N)  
(Dinesh Kumar Gupta)  
(Proprietor)  
(M. No. 086824)  
Place : New Delhi  
Date : 15-May-2024

UDIN-24086824BJ22 KX4422

For and on behalf of Board

  
Yash Pal Sharma  
Director  
DIN-10082572  
Priyanshu Kandhway  
Company Secretary  
M No. A45651  
Neeraj Kumar  
Director  
DIN-10090318Neeraj Kumar  
Chief Financial Officer  
M No. 508653

## Himachal Energy Private Limited

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

---

### Note-1

#### COMPANY OVERVIEW

Himachal Energy Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at Village Shavela, P.O. Jabli, Kasauli, Himachal Pradesh- 173209. The Company is engaged in the manufacturing of energy saving Meters. The Company's manufacturing facilities are located at Jabli in Himachal Pradesh.

The Financial statements were approved by the Board of Directors for issue in accordance with resolution passed on May 15, 2024.

### Note-1A

#### SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### A) Basis of Preparation

##### *i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act)[Companies(Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### *ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

#### B) Property plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT /GST/VAT credit availed wherever applicable. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

##### *Depreciation methods, estimated useful lives and residual value*

Depreciation on buildings, machinery and equipments has been provided on straight-line basis over the estimated useful lives of the respective assets. Intangible assets are amortised over their estimated useful economic lives on straight line basis. Freehold land and work in progress are not depreciated. The estimated useful lives considered for providing depreciation on other substantial assets are as follows:



## Himachal Energy Private Limited

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

---

Building- 25-30 years  
Plant & Machinery-15-25 years  
Computers-3-5 years  
Furniture & Fixtures-10-15 years  
Office Equipments-5-10 years  
Vehicles-8-10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### C) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### *Research and development cost*

Research expenditure and development expenditure that do not meet the criteria as given in Ind AS-38 "Intangible Assets" are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### *Amortisation methods and periods*

The Company amortises intangible assets with a finite useful life using the straight-line method over their estimated useful life of 3-6 years.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

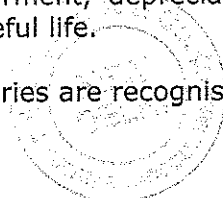
Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets are disposed off.

### D) Impairment of non-financial assets

The carrying amounts of the assets are reviewed at each Balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses including impairment on inventories are recognised in the Statement of Profit and Loss.



## **E) Financial Instruments**

### **i) Financial Assets**

#### *A) Initial recognition and measurement*

All financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

#### **B) Subsequent measurement**

##### **a) Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **b) Financial assets carried at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **c) Financial assets carried at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **C) Investment in subsidiaries**

The Company has accounted for its investments in subsidiary at cost.

#### **D) Other Equity Investments**

All other equity investments are measured at fair value with changes in fair value recognised in statement of profit and loss except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

#### **E) Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## **ii) Financial Liabilities**

### *A) Initial recognition and measurement*

All financial liabilities are recognised at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### *B) Subsequent measurement*

Financial liabilities are carried at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **F) Income recognition**

### **Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## **G) Inventories**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **H) Revenue Recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the

standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, which is usually at the time of delivery of products or services to the customer. Revenue from sale of product is measured at fair value of consideration received /receivable, net of returns, trade allowances, rebates, value added taxes, Goods and Service Tax (GST) and amounts collected on behalf of third parties. Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

## **I) Employee Benefits**

### *(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### *(ii) Post-Employment Benefits*

**Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separately entity. The Company has defined contribution plans for the post-employment benefits namely provident fund scheme. The Company's contribution in the above plans is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

**Defined Benefit Plans:** The Company has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognises the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit or loss:

- Service costs comprising current service costs, past service costs , gains and losses on curtailment and non-routine-settlements
- Net Interest expense

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

Termination benefits are recognized as an expense immediately.

## **J) Borrowing Cost**

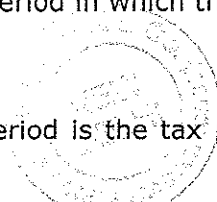
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## **K) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable



## Himachal Energy Private Limited

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### L) Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of

the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)  
If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of nonfinancial assets'.

**Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**M) Foreign Currency Transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

**N) Earnings Per Share***(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company





## Himachal Energy Private Limited

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

- by the weighted average number of equity shares outstanding during the financial year.
- (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, wherever applicable, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### O) Provisions and Contingent liabilities

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but disclose its existence in the financial statements unless the probability of outflow of resource is remote.

### P) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### Q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker (CODM). CODM monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

### R) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



**S) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**T) Cash and Cash Equivalents**

For the purpose of presentation in the Statement of Cash flows, Cash and Cash equivalents includes cash on hand, deposits held at call, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**U) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**V) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**W) Changes in significant accounting policies**

The Company has not been required to apply any new standard, interpretation or amendment that has been issued and therefore there were no significant changes in the accounting policies.

**X) Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

**Judgements, Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a) Defined benefit plan-Gratuity**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds

with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 35.

**b) Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**c) Warranty provision**

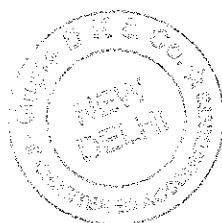
Warranty Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

**d) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets**

Property, plant and equipment / Intangible assets are depreciated /amortised over their estimated useful lives, after taking into account estimated residual values. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future period is revised if there are significant changes from previous estimates.

**e) Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



(₹ in Lakhs)

2 Property, plant and equipment

S.No.	Particulars	Gross Block			Accumulated Depreciation		Net Block 31st March 2024
		1st April 2023	Additions	Deletion / Adjustment	31st March 2024	For the year	
1	Freehold Land	1,263.00	-	-	1,263.00	-	1,263.00
2	Building	662.00	-	-	662.00	41.93	326.58
3	Plant & Machinery	4,265.90	48.64	(0.02)	4,314.52	295.78	2,733.94
4	Office Equipment	2.79	1.88	-	4.67	0.50	2.87
5	Furniture & Fittings	3.63	2.50	-	6.13	0.38	3.78
6	Computers	0.89	-	-	0.89	0.04	0.13
7	Motor Car	-	37.24	-	37.24	3.36	33.88
	Total (A)	6,198.21	90.26	(0.02)	6,288.45	341.99	4,364.18

S.No.	Particulars	Gross Block			Accumulated Depreciation		Net Block 31st March 2023
		1st April 2022	Additions	Deletion / Adjustment	31st March 2023	For the year	
1	Freehold Land	1,263.00	-	-	1,263.00	-	1,263.00
2	Building	662.00	-	-	662.00	41.93	368.51
3	Plant & Machinery	3,815.49	542.51	(92.10)	4,265.90	297.29	2,981.10
4	Office Equipment	2.79	-	-	2.79	0.42	1.49
5	Furniture & Fittings	3.89	-	(0.26)	3.63	0.30	1.66
6	Computers	0.89	-	-	0.89	0.05	0.17
	Total (A)	5,748.06	542.51	(92.36)	6,198.21	339.99	4,615.93

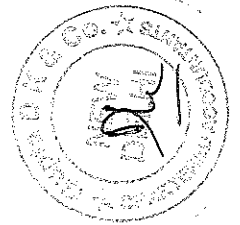
a) Refer note 15 for information on property, plant & equipment pledged as security by the Company

3 CWIP ageing schedule as at 31 March 2024

(₹ in Lakhs)

Particulars	Ageing Schedule			Total
	Less than 1 year	1-2 years	2-3 years	
Mould and tools	189.64	150.31	-	339.95
Total	189.64	150.31	-	339.95

Particulars	Ageing Schedule			Total
	Less than 1 year	1-2 years	More than 3 years	
Mould and tools	150.31	-	-	150.31
Total	150.31	-	-	150.31



## 4 Loans

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	Non-current	
	As at 31st March 2024	As at 31st March 2023
Security Deposits	8.51	8.51
<b>Total</b>	<b>8.51</b>	<b>8.51</b>

## 5 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
The balance comprises temporary differences attributable to:	-	-
Provision for employee benefits	39.62	35.84
Provision for doubtful debts	181.85	181.85
Property, plant and equipment	(106.31)	(102.72)
Others	102.41	100.44
MAT credit	1,237.26	1,288.60
<b>Total deferred tax assets</b>	<b>1,454.83</b>	<b>1,504.01</b>

## Movement in deferred tax assets

(₹ in Lakhs)

Particulars	Provision for employee benefits	Provision for doubtful debts	Property, plant and equipment	Total
At 1st April 2022	29.58	181.85	(59.38)	152.05
(Charged)/credited:				
- to profit or loss	6.26	-	(43.34)	(37.08)
- to other comprehensive income	-	-	-	-
At 31st March 2023	35.84	181.85	(102.72)	114.97
(Charged)/credited:				
- to profit or loss	3.78	-	(3.59)	0.19
- to other comprehensive incomes	-	-	-	-
At 31st March 2024	39.62	181.85	(106.31)	115.16

(₹ in Lakhs)

Particulars	Others	MAT credit	Total
At 1st April 2022	98.13	1,311.73	1,409.86
(Charged)/credited:			
- to profit or loss	2.31	(23.13)	(20.82)
- to other comprehensive income	-	-	-
At 31st March 2023	100.44	1,288.60	1,389.04
(Charged)/credited:			
- to profit or loss	1.97	(51.34)	(49.37)
- to other comprehensive incomes	-	-	-
At 31st March 2024	102.41	1,237.26	1,339.67



6 Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
a. Raw Materials and components		
(i) Raw materials	348.58	728.44
(ii) Material-in-transit	86.46	133.18
b. Work-in-progress	889.25	925.23
c. Finished goods	236.34	136.94
d. Stores and spares	4.73	5.75
<b>Total</b>	<b>1,565.36</b>	<b>1,929.54</b>

7 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Unsecured</b>		
(i) Trade receivables - considered good*	4,576.09	5,673.52
(ii) Trade receivables - credit impaired	549.81	549.81
	5,125.90	6,223.33
Less: Allowance for trade receivables - credit impaired	(549.81)	(549.81)
<b>Total</b>	<b>4,576.09</b>	<b>5,673.52</b>

\* includes Rs Nil/- from companies where directors are interested (31st March 23 : Rs Nil)

(₹ in Lakhs)

Trade receivable ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable-Considered good	3,123.90	633.58	433.84	44.63	147.05	193.09	4,576.09
Undisputed trade receivable-Credit impaired	-	-	-	-	-	549.81	549.81
Disputed trade receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(549.81)	(549.81)
<b>Total</b>	<b>3,123.90</b>	<b>633.58</b>	<b>433.84</b>	<b>44.63</b>	<b>147.05</b>	<b>193.09</b>	<b>4,576.09</b>

Trade receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable-Considered good	4,606.91	483.28	5.65	280.41	82.34	214.93	5,673.52
Undisputed trade receivable-Credit impaired	-	-	-	-	-	549.81	549.81
Disputed trade receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(549.81)	(549.81)
<b>Total</b>	<b>4,606.91</b>	<b>483.28</b>	<b>5.65</b>	<b>280.41</b>	<b>82.34</b>	<b>214.93</b>	<b>5,673.52</b>

8 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Cash and Cash Equivalents</b>		
Balances with banks	423.18	347.25
Cash on hand	2.98	9.74
<b>Total</b>	<b>426.16</b>	<b>356.99</b>



9 Other Bank Balances

(₹ in Lakhs)

Particulars	As at	
	31st March 2024	31st March 2023
Balances with Banks held as Margin Money	350.68	458.17
<b>Total</b>	<b>350.68</b>	<b>458.17</b>

10 Other financial assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2024	As at 31st March 2023
Earnest money deposit	155.73	144.35
<b>Total</b>	<b>155.73</b>	<b>144.35</b>

11 Current tax assets / (Liabilities)-Net

(₹ in Lakhs)

Particulars	As at	
	31st March 2024	31st March 2023
Advance Income Tax / (Income Tax Provision)-net	13.72	(10.39)
<b>Total</b>	<b>13.72</b>	<b>(10.39)</b>

12 Other current assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2024	As at 31st March 2023
Prepaid Expenses	67.34	85.44
Balance with government authorities	115.02	140.42
Other Advances	188.07	171.46
<b>Total</b>	<b>370.43</b>	<b>397.32</b>

13 Share Capital

(₹ in Lakhs)

Particulars	As at	
	31st March 2024	31st March 2023
<b>(a) Authorised</b>		
15,500,000 Equity Shares of Rs 10/- each (31st March 2023, 15,500,000 Equity Shares of Rs 10/- each)	1,550.00	1,550.00
11,000,000, 10% Cumulative Compulsorily Redeemable Preference Shares (11,000,000, 10% Cumulative Compulsorily Redeemable Preference Shares, 31st March 2023)	1,100.00	1,100.00
	<b>2,650.00</b>	<b>2,650.00</b>
<b>(b) Issued, Subscribed &amp; Paid Up</b>		
15,440,000 Equity shares of Rs 10/- each fully paid up (31st March 2023 -15,440,000 Equity Shares of Rs 10/- each fully paid up)	1,544.00	1,544.00
<b>Total</b>	<b>1,544.00</b>	<b>1,544.00</b>

(b) Reconciliation of share capital at the beginning and close of the accounting year :-

(₹ in Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,440,000	1,544.00	15,440,000	1,544.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>15,440,000</b>	<b>1,544.00</b>	<b>15,440,000</b>	<b>1,544.00</b>



(c) Rights, Preferences and Restrictions attached to the shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. 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. Dividend proposed by the Board of Directors is subject to the approval of the 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) Equity Shareholders holding in the Company :-

Name of Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
HPL Electric and Power Ltd.	15,000,000	97.15	15,000,000	97.15

14 Reserve & surplus

(a) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	1,217.00	1,217.00
(+) Current Year Transfer	-	-
Closing Balance	1,217.00	1,217.00

General Reserve : General reserve is used to transfer profits from retained earnings for appropriation purposes. The amount is to be utilised in accordance with the provision of the Companies Act, 2013

(b) Retained Earnings

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening balance	3,642.37	3,399.14
(+) Net Profit/(Loss) For the current year	214.44	249.21
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(5.12)	(5.98)
Closing Balance	3,851.69	3,642.37
<b>Total Reserves &amp; Surplus (a+b)</b>	<b>5,068.69</b>	<b>4,859.37</b>

Retained earnings

Retained earnings are profits that the Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders

15 Borrowings

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares	2,035.00	1,925.00	-	-
-Secured Loans*				
- From Banks	57.50	225.23	1,926.18	1,687.20
- Current maturities of long term borrowings			167.51	283.46
<b>Total</b>	<b>2,092.50</b>	<b>2,150.23</b>	<b>2,093.69</b>	<b>1,970.66</b>

\*Consist of two Working Capital Term Loan under ECLGS Scheme (Guaranteed Emergency Credit Line Scheme) and are secured by way of extension of charge on existing primary security / collateral security (current assets and fixed assets as detailed below under para 'working capital facilities'). These Term Loans carry interest @ 9.25% p.a.

1st Working Capital Term Loan is repayable in 48 monthly installments after moratorium of 12 months which will be fully repaid by September, 2025.

2nd Working Capital Term Loan is repayable in 36 monthly installments after a moratorium of 12 months which will be fully repaid by January, 2025.





**Working Capital Facilities**

Working capital facilities are availed from consortium of banks led by State Bank of India. The lead Bank has linked its interest rate with 6 months MCLR + spread of 0.95% p.a. and are repayable in demand.

Working capital facilities (fund based and non fund based) are secured by way of first pari-passu charge over current assets of the Company including stocks and receivables both present and future and first charge on pari-passu basis alongwith term lenders over Company's entire fixed assets (both present and future) including EM of factory land & building situated at Jabli, Himachal Pradesh and also secured by personal guarantees of Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth.

Maturity profile of term loans including current maturities is as below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year or on demand	167.51	283.46
Later than one year but not two years	57.50	167.73
Later than two year but not three years	-	57.50

**Net Debt Reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents	776.84	815.16
Long term borrowings	(2,092.50)	(2,150.23)
Short term borrowings	(2,093.69)	(1,970.66)
<b>Net debt</b>	<b>(3,409.35)</b>	<b>(3,305.73)</b>

(₹ in Lakhs)

Particulars	Cash and cash equivalents	Non Current Borrowings	Current Borrowings	Total
Net debt as at 1st April 2022	1,152.74	(2,514.73)	(1,924.24)	(3,286.23)
Cash flows	(337.58)	-	-	(337.58)
Proceeds/(Repayment) from working capital loan (net)	-	-	(46.42)	(46.42)
Interest accrued	-	(110.00)	-	(110.00)
Repayment of working capital loan	-	474.50	-	474.50
<b>Net debt as at 31st March 2023</b>	<b>815.16</b>	<b>(2,150.23)</b>	<b>(1,970.66)</b>	<b>(3,305.73)</b>
Cash flows	(38.32)	-	-	(38.32)
Proceeds/(Repayment) from working capital loan (net)	-	-	(123.03)	(123.03)
Interest accrued	-	(110.00)	-	(110.00)
Repayment of term loan	-	167.73	-	167.73
<b>Net debt as at 31st March 2024</b>	<b>776.84</b>	<b>(2,092.50)</b>	<b>(2,093.69)</b>	<b>(3,409.35)</b>

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2024 : ₹ 3706.90 Lakhs (PY : ₹ 4,502.13 Lakhs)

**16 Provisions**

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
(a) Provision for employee benefits				
Gratuity	88.77	72.16	6.54	5.11
Leave Encashment	-	-	20.30	25.34
<b>Total</b>	<b>88.77</b>	<b>72.16</b>	<b>26.84</b>	<b>30.45</b>

**17 Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Trade Payables</b>		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006* (Refer note 33)	484.99	715.92
(b) Others	915.90	1,231.63
<b>Total</b>	<b>1,400.89</b>	<b>1,947.55</b>

\* includes INR Nil to holding company (31 March 23 : INR Nil )



Trade payable ageing schedule as at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	484.99	-	-	-	-	484.99
Trade payables-Others	68.44	662.34	0.11	12.11	172.90	915.90
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>553.43</b>	<b>662.34</b>	<b>0.11</b>	<b>12.11</b>	<b>172.90</b>	<b>1,400.89</b>

Trade payable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	715.92	-	-	-	-	715.92
Trade payables-Others	523.69	526.69	31.33	-	149.92	1,231.63
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>1,239.61</b>	<b>526.69</b>	<b>31.33</b>	<b>-</b>	<b>149.92</b>	<b>1,947.55</b>

**18 Other financial liabilities**

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2024	As at 31st March 2023
Expenses payable	25.82	17.89
Employee benefits payable	55.94	80.30
Advance from customers*	1,175.76	2,460.87
<b>Total</b>	<b>1,257.52</b>	<b>2,559.06</b>

\* refer note no-36c related party information

**19 Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory dues payable	52.74	94.78
<b>Total</b>	<b>52.74</b>	<b>94.78</b>

This page is intentionally left blank



## 20 Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Sale of Products Finished Goods	8,299.70	10,742.09
<b>Total</b>	<b>8,299.70</b>	<b>10,742.09</b>

## 21 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest income from financial assets at amortised cost	47.91	32.87
Other non-operating income	0.15	1.40
<b>Total</b>	<b>48.06</b>	<b>34.27</b>

## 22 Particulars of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Electronic Components	2,685.28	4,724.76
Engineering Plastic	756.10	1,205.12
Packing	89.34	235.96
Others	2,338.48	2,405.37
<b>Total</b>	<b>5,869.20</b>	<b>8,571.21</b>

## 23 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Inventories (at close)		
Finished Goods	236.34	136.94
Work-in-Progress	889.25	925.23
	<b>1,125.59</b>	<b>1,062.17</b>
Inventories (at commencement)		
Finished Goods	136.94	60.01
Work-in-Progress	925.23	785.03
	<b>1,062.17</b>	<b>845.04</b>
<b>Decrease / (Increase)</b>	<b>(63.42)</b>	<b>(217.13)</b>

## 24 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and wages	478.68	436.27
Contribution to provident and other funds	31.45	29.32
Staff welfare expenses	44.82	52.64
<b>Total</b>	<b>554.95</b>	<b>518.23</b>



## 25 Finance Cost

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2024	Year ended 31st March 2023
Interest expenses	220.58	238.87
Interest expense on financial liabilities measured at amortized cost	110.00	110.00
Other borrowing costs- Bank Charges	121.00	98.36
<b>Total</b>	<b>451.58</b>	<b>447.03</b>

## 26 Depreciation and Amortization Expenses

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation on property, plant and equipment	341.99	339.99
<b>Total</b>	<b>341.99</b>	<b>339.99</b>

## 27 Other Expenses

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2024	Year ended 31st March 2023
Power and Fuel	103.49	90.02
Job Work Charges	383.77	268.08
Repairs & Maintenance	130.61	79.22
Testing Expenses	55.30	54.99
Rates and taxes excluding taxes on income	43.05	42.42
Legal & Professional Expenses	66.08	71.51
Travelling & Conveyance	6.85	16.37
Communication Expenses	1.21	0.81
Printing & Stationery	2.15	2.08
Insurance	10.71	15.48
Membership & Subscription	2.07	1.91
Advertisement and business promotion	0.15	3.96
Commision on sales	8.32	5.18
Freight Outward	29.82	61.17
Loss on sale of Fixed Assets	0.02	0.29
Contribution towards corporate social responsibility	7.00	9.00
Auditors remuneration	2.00	1.10
<b>Total</b>	<b>852.60</b>	<b>723.59</b>

## 27a) Detail of payment to auditors

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2024	Year ended 31st March 2023
Audit Fees	1.50	0.85
Tax Audit Fees	0.50	0.25
<b>Total</b>	<b>2.00</b>	<b>1.10</b>

## 27b) Corporate social responsibility expenditure

As per the provisions of section 135 of the Companies Act, 2013, the Company has to spend at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities.



(₹ in Lakhs)

Details of CSR Expenditure	Year ended 31st March 2024	Year ended 31st March 2023	
a) Gross amount required to be spent by the Company during the year	6.53	8.97	
b) Amount spent during year ended 31st March 2023			
Construction/acquisition of an asset	-	-	
Contribution to other purpose other than above	7.00	9.00	
Add : Excess spent amount from previous year utilized during the current year	0.86	0.83	
Total amount spent	7.86	9.83	
Excess/(short) (a-b)	Excess spent to be carry forward to next year financial year	1.33	0.86

## 28 Income tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Current tax</b>		
Current tax on profits for the year	75.26	84.03
Total current tax expense	75.26	84.03
<b>Deferred tax</b>		
Deferred tax expense/(income) for the period	(0.18)	37.07
MAT credit entitlement/Setoff	51.34	23.13
Earlier year MAT Credit w/off	-	-
Total deferred tax expense/(benefit)	51.16	60.20
Income tax expense	126.42	144.23

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March 2024	Year ended 31st March 2023
Profit before income tax expense	340.86	393.44
Tax at the Indian tax rate of 27.82% (31st March 2023 - 27.82%)	94.84	109.46
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles		
Corporate social responsibility expenditure	0.97	1.25
Interest due on Preference Shares	30.60	30.60
Earlier year MAT credit w/off	-	-
Other items	0.01	2.93
Income tax expense	126.42	144.23

## 29 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
(i) Profit after tax	214.44	249.21
Balance available for equity shareholder's	214.44	249.21
(ii) Weighted average number of equity shares for basic EPS	154.40	154.40
(iii) Weighted average number of equity shares for dilutive EPS	154.40	154.40
(iv) Nominal value per Equity Shares	10.00	10.00
(v) Earning Per Share (Basic)	1.39	1.61
(vi) Earning Per Share (Dilutive)	1.39	1.61



HIMACHAL ENERGY PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended 31st March 2024

30 Fair value measurements

(₹ in Lakhs)

Financial instruments by category	31st March 2024		31st March 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Trade receivables	-	4,576.09	-	5,673.52
Loans	-	8.51	-	8.51
Cash and Bank Balances	-	426.16	-	356.99
Other bank balances	-	350.68	-	458.17
Other Financial Assets	-	155.73	-	144.35
<b>Total financial assets</b>	-	<b>5,517.17</b>	-	<b>6,641.54</b>
<b>Financial liabilities</b>				
Borrowings	-	4,186.19	-	4,120.89
Trade payables	-	1,400.89	-	1,947.55
Other Financial Liabilities	-	1,257.52	-	2,559.06
<b>Total financial liabilities</b>	-	<b>6,844.60</b>	-	<b>8,627.50</b>

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

Assets and liabilities which are measured at amortised cost

Particulars	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2024</b>				
<b>Financial assets</b>				
Trade receivables	-	-	4,576.09	4,576.09
Loans	-	-	8.51	8.51
Cash and Bank Balances	-	-	426.16	426.16
Other bank balances	-	-	350.68	350.68
Other Financial Assets	-	-	155.73	155.73
<b>Total financial assets</b>	-	-	<b>5,517.17</b>	<b>5,517.17</b>
<b>Financial liabilities</b>				
Borrowings	-	-	4,186.19	4,186.19
Trade payables	-	-	1,400.89	1,400.89
Other Financial Liabilities	-	-	1,257.52	1,257.52
<b>Total financial liabilities</b>	-	-	<b>6,844.60</b>	<b>6,844.60</b>



As at March 31, 2023

<b>Financial assets</b>				
Trade receivables	-	-	5,673.52	5,673.52
Loans	-	-	8.51	8.51
Cash and Bank Balances	-	-	356.99	356.99
Other bank balances	-	-	458.17	458.17
Other Financial Assets	-	-	144.35	144.35
<b>Total financial assets</b>	-	-	<b>6,641.54</b>	<b>6,641.54</b>
<b>Financial liabilities</b>				
Borrowings	-	-	4,120.89	4,120.89
Trade payables	-	-	1,947.55	1,947.55
Other Financial Liabilities	-	-	2,559.06	2,559.06
<b>Total financial liabilities</b>	-	-	<b>8,627.50</b>	<b>8,627.50</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer of levels during the year.

As of 31st March 2024, 31st March 2023, the fair value of cash and bank balances, trade receivables, loans, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.

For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

*This page is intentionally left blank*



HIMACHAL ENERGY PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended 31st March 2024

**31 Financial risk management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to provide finance to the Company to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**(A) Credit risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned through government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss for the year ended 31 March, 2024:

Movement in expected credit loss allowance on trade receivable:

Particulars	₹ in Lakhs	
	31st March 2024	31st March 2023
At the beginning of year	549.81	549.81
Provision during the year	-	-
Bad debts written off	-	-
Reversal of provision	-	-
<b>Total ECL</b>	<b>549.81</b>	<b>549.81</b>

**(B) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management.

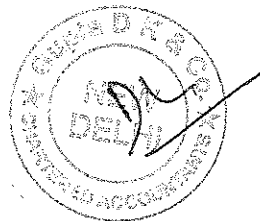
*(i) Maturities of financial liabilities*

The table below provides details regarding the contractual maturities of significant financial liabilities:

Contractual maturities of financial liabilities: (undiscounted)	₹ in Lakhs			
	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>31st March 2024</b>				
Borrowings	2,093.69	-	2,092.50	4,186.19
Trade payables	1,400.89	-	-	1,400.89
Other financial liabilities	1,257.52	-	-	1,257.52
<b>Total</b>	<b>4,752.10</b>	<b>-</b>	<b>2,092.50</b>	<b>6,844.60</b>
<b>31st March 2023</b>				
Borrowings	1,970.66	-	2,150.23	4,120.89
Trade payables	1,947.55	-	-	1,947.55
Other financial liabilities	2,559.06	-	-	2,559.06
<b>Total</b>	<b>6,477.27</b>	<b>-</b>	<b>2,150.23</b>	<b>8,627.50</b>

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March 2024. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension obligation and other post-retirement obligations; provisions; and the nonfinancial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March 2024





(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lakhs)

Particulars	Impact on profit after tax	
	31st March 2024	31st March 2023
Interest rate (increase by 100 basis points)*	(41.86)	(41.21)
Interest rate (decrease by 100 basis points)*	41.86	41.21

\* Holding other variables constant

(ii) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The Company's exposure to foreign currency risk at the end of the reporting period is NIL (PY: NIL)

Sensitivity

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation for the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupees 1% against the relevant currency. For a 1% weakening of the Rs. against relevant currency, there would be a comparable impact on the profits or equity, and the balances below would be negative.

Particulars	Impact on profit after tax	
	31st March 2024	31st March 2023
USD sensitivity		
INR/USD - Increase by 1%*	-	-
INR/USD - Decrease by 1%*	-	-

\* Holding other variables constant

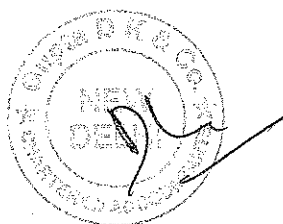
32 Capital management

For the purposes of the Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2024.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by Cash and Cash Equivalent) divided by total equity.

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Borrowings	4,186.19	4,120.89
Cash and Bank Balances	(776.84)	(815.16)
<b>Net debt</b>	<b>3,409.35</b>	<b>3,305.73</b>
<b>Equity</b>	<b>6,612.69</b>	<b>6,403.37</b>
<b>Net debt to equity ratio</b>	<b>51.56%</b>	<b>51.62%</b>



HIMACHAL ENERGY PRIVATE LIMITED

Notes forming part of the financial statements as at and for the year ended 31st March 2024

33 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 2024 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 year ended 31st March 2024, Rs.484.99 (31st March 2023 Rs.715.92)
- 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 year ended 31st March 2024 - Nil, (31st March 2023 : 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 - 31st March 2024 - Nil, (31st March 2023 : Nil)
- Amount of interest accrued and remaining unpaid at the end of the year ended 31st March 2024 - Nil, (31st March 2023 : Nil)

34 Employee benefit obligations

Disclosures pursuant to Ind AS-19 "Employee Benefits"(specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

a) Defined contribution Plans

Contribution to defined contribution plan, recognised as expense for the year ending 31st March 2024 are as under:

Particulars	(₹ in Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Employer's contribution to Provident Fund	26.02	23.83
Employer's contribution to ESI	5.43	5.49
<b>Total</b>	<b>31.45</b>	<b>29.32</b>

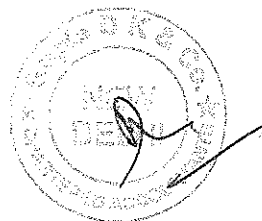
b) Defined Benefit Plans

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the respective plans:

(₹ in Lakhs)		
i) Reconciliation of opening and closing balances of Defined Benefit Obligation - Gratuity (Non Funded)	As at 31st March 2024	As at 31st March 2023
Defined Benefit obligation at beginning of the year	77.27	71.80
Current Services Cost	8.80	7.67
Interest Cost	5.80	5.20
Actuarial (gain)/loss	7.09	8.29
Benefit paid	(3.65)	(15.69)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	7.09	8.29
<b>Defined Benefit obligation at the year end</b>	<b>95.31</b>	<b>77.27</b>

(₹ in Lakhs)		
Net defined benefit asset/ (liability) recognised in the balance sheet	As at 31st March 2024	As at 31st March 2023
Present value of defined benefit obligation	95.31	77.27
<b>Amount recognised in Balance Sheet- Asset / (Liability)</b>	<b>95.31</b>	<b>77.27</b>

(₹ in Lakhs)		
ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)	Year ended 31st March 2024	Year ended 31st March 2023
Current Service Cost	8.80	7.67
Interest Cost	5.80	5.20
<b>Recognised in the Statement of profit and loss for the year</b>	<b>14.60</b>	<b>12.87</b>



(₹ in Lakhs)

iii) Remeasurement of (Gain)/loss recognised in other comprehensive income	Year ended 31st March 2024	Year ended 31st March 2023
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	7.09	8.29
Recognised in other comprehensive income	7.09	8.29

(₹ in Lakhs)

iv) Actuarial Assumption	Year ended 31st March 2024	Year ended 31st March 2023
Rate of escalation in salary (p.a.)	7.25% p.a.	7.5% p.a.
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal Rate (p.a.)	5% p.a.	5% p.a.

v) Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lakhs)

Increase / (decrease) on present value of defined benefits obligations at the end of the year:	Year ended 31st March 2024	Year ended 31st March 2023
<b>Discount Rate</b>		
Increase by 1%	87.28	70.59
Decrease by 1%	104.64	85.06
<b>Salary Increase</b>		
Increase by 1%	104.76	85.17
Decrease by 1%	87.05	70.38
<b>Attrition Rate</b>		
Increase by 1%	96.82	78.76
Decrease by 1%	93.60	75.58

vi) Maturity profile of defined benefit obligation (undiscounted)

(₹ in Lakhs)

	Year ended 31st March 2024	Year ended 31st March 2023
Within the next 12 months (next annual reporting period)	6.54	5.11
Between 2 and 5 years	16.75	12.11
Between 5 and 10 years	72.02	60.05
<b>Total expected payments</b>	<b>95.31</b>	<b>77.27</b>

- vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (31st March 2023; 18 years)
- viii) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### 35 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the Company's operating businesses are organised and managed separately according to the types of products/services provided. The identified reportable segment are implementation of projects and manufacturing of energy meters. Segment information is disclosed as under :-

- The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.
- 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 "Others".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".
- There is no transfer of products between operating segments.
- There are three customers having revenue exceeding 10% of total revenues. Metering segment three customer account for ₹ 7,200.94 Lakhs out of total revenue ₹ 8,299.70 Lakhs.



## Summary of segment information:

(₹ in Lakhs)

	As at 31st March 2024	As at 31st March 2023
Revenue		
Segment Revenue		
Metering	8,299.70	10,742.09
Projects	-	-
	<u>8,299.70</u>	<u>10,742.09</u>
Result		
Segment Result		
Metering	792.44	840.47
Projects	-	-
	<u>792.44</u>	<u>840.47</u>
Unallocable expenses	-	-
Operating Profit	792.44	840.47
Interest Expenses	451.58	447.03
Profit Before Tax	340.86	393.44
Tax expenses	126.42	144.24
Profit After Tax	<u>214.44</u>	<u>249.21</u>
Other Information		
Segment Assets		
Metering	12,118.19	13,670.63
Projects	38.90	53.61
Unallocable	1,468.55	1,514.40
	<u>13,625.64</u>	<u>15,238.64</u>
Segment Liabilities		
Metering	4,763.16	6,540.79
Projects	98.60	98.60
Others	2,151.19	2,195.89
	<u>7,012.95</u>	<u>8,835.28</u>
Capital Expenditure		
Metering	90.26	542.51
Projects	-	-
	<u>90.26</u>	<u>542.51</u>
Depreciation		
Metering	341.99	339.99
Projects	-	-
	<u>341.99</u>	<u>339.99</u>
Segment Revenue		
The following is the distribution of company's revenue by geographical market		
Domestic Market	8,299.70	10,742.09
Overseas Market	-	-
	<u>8,299.70</u>	<u>10,742.09</u>

## 36 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

a) Name of related parties with whom transactions made during the year and description of relationship:

A) Holding company:

1. HPL Electric & Power Ltd

(B) Entities in which directors are interested:

1. Seth Inder Narain Trust

3. HPL Power Corporation Ltd

5. Jesons Impex Pvt Ltd

7. Havells Pvt Ltd

2. HPL India Ltd

4. Havells Electronics Pvt Ltd

6. Amerex Pvt Ltd

C) Key Management Personnel:

1. Shri Lalit Seth

3. Shri Gautam Seth

5. Priyanshu Kandhway

7. Mrs. Renu Arora

2. Sh. Rishi Seth

4. Mr. Neeraj Kumar

6. Mr. Yash Pal Sharma



**D) Relatives of Key Management Personnel**

1. Mrs. Praveen Seth  
3. Mrs Vani Seth

2. Mrs Pooja Seth

**b) Summary of transactions during the year**

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Purchase of goods</b>		
1. HPL Electric & Power Ltd	4,096.29	5,611.25
<b>Purchase of assets</b>		
1. HPL Electric & Power Ltd	-	327.23
<b>Sale of goods</b>		
1. HPL Electric & Power Ltd	247.54	1,416.61
<b>Remuneration to of key management personnels</b>		
1. Neeraj Kumar	38.88	30.32
2. Priyanshu Kandhway	8.76	6.75

**c) Summary of outstanding balances with the above states related parties for the respective years are given below:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>Advance from customers</b>		
1. HPL Electric and Power Ltd	1,175.76	2,460.87
<b>Financial liability</b>		
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares		
Mr Lalit Seth	712.25	673.75
Mr Praveen Seth	508.75	481.25
Mr Rishi Seth	407.00	385.00
Mr Gautam Seth	407.00	385.00

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**37 Assets taken under Lease****Operating/ Finance Lease**

No Office premises are taken on lease. So Ind AS - 116 is not applicable to the company.

**38 Capital Commitment**

(₹ in Lakhs)

Particulars	As at 31st March 2024	Year ended 31st March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance )	Nil	Nil

**39 Contingent Liabilities**

PF demand raised for the period July 2011 to January 2016 amounting to ₹ 3.02/-lakhs (PY ₹ 3.02/-lakhs) pending before EPF Appellate tribunal, Delhi.

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.



40 Additional Regulatory information

S no	Particulars	Numerator	Denominator	Current Year	Previous Year	Variance
1	Current ratio	Current assets	Current liabilities	1.54	1.35	13.93%
2	Debt-Equity ratio	Total Debt (Including lease liabilities)	Shareholder's equity	0.63	0.64	-1.63%
3	Debt service coverage ratio	Earnings available for debt service*	Debt Service**	1.99	1.57	26.36%
4	Return on equity ratio	Net profits after taxes	Average shareholders equity	1.61%	3.87%	-58.47%
5	Inventory Turnover Ratio	Revenue from operations	Average Inventory	4.75	5.72	-16.96%
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	1.62	2.12	-23.47%
7	Trade payable turnover ratio	Cost of goods material consumed	Average trade payables	3.25	4.90	-33.61%
8	Net capital turnover ratio	Revenue from operations	Average working capital	3.34	4.41	-24.39%
9	Net profit ratio	Net profits for the year	Revenue from operations	2.52%	2.26%	11.39%
10	Return on capital employed	Profit before interest and taxes	Capital employed***	6.28%	7.15%	-12.17%
11	Return on Investments	Profit before interest and taxes	Average total Assets	3.89%	4.31%	-9.74%

\* Net Profit after taxes+Non-cash operating expenses+Interest+Other non-cash adjustments

\*\* Interest + Principle repayments

\*\*\* Net Worth + Deferred tax liabilities- Deferred Tax Assets

Note : Explanation for change in ratio by more than 25%

- (i) Return on equity ratio is declined due to revenue de-growth
- (ii) Trade payable turnover ratio improved due to lower trade payables
- (iii) Debt service coverage ratio improved due to re-payment of term loan

41 Additional regulatory information required by Schedule III of Companies Act, 2013

- (I) **Details of Benami property:** No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (II) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (III) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (IV) **Compliance with approved scheme(s) of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (V) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (VI) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (VII) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (VIII) The company has not granted any loans or advances in the nature of loans either repayable on demand



42 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding period ending 31st March, 2024.

*The accompanying notes are an integral part of financial statements*

AS PER OUR REPORT OF EVEN DATE APPENDED TO THE BALANCE SHEET

For Gupta DK & Co.

Chartered Accountants

(Firm Registration No. : 037049N)

(Dinesh Kumar Gupta)

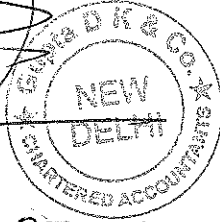
(Proprietor)

(M. No. 086824)

Place : New Delhi

Date : 15-May-2024

UDIN 24086824 BJZZ KX 4422



For and on behalf of Board

Yash Pat Sharma

Director

DIN-10082572

Priyanshu Kandhway

Company Secretary

M No. A45651

Reju Arora

Director

DIN-10090318

Neeraj Kumar

Chief Financial Officer

M No. 508653