

SPMR & ASSOCIATES

Chartered Accountants

A-121, First Floor, Main Vikash Marg, Shakarpur, New Delhi-110092

HIMACHAL ENERGY PRIVATE LIMITED
Annual Report 2015-16

Independent Auditor's Report

To the Members of
HIMACHAL ENERGY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statement of **HIMACHAL ENERGY PRIVATE LIMITED** ('the Company') which comprise the balance sheet as at march 31, 2016, statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

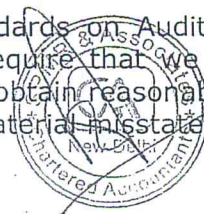
The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

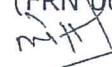


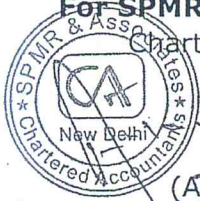
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- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial statements.
 - ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we given in 'Annexure B' a statement on the matters specified on paragraph 3 and 4 of the Order.

For SPMR & ASSOCIATES
Chartered Accountants
(FRN 007578N)

(Ajay Kumar Mittal)
(Partner)
M. No. : 095273



Place: New Delhi

Date: 04/06/2016

SPMR & ASSOCIATES

Chartered Accountants

A-121, First Floor, Main Vikash Marg, Shakarpur, New Delhi-110092

Independent Auditor's Report

To the Members of
Himachal Energy Private Limited.
Annual Report 2015-16

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

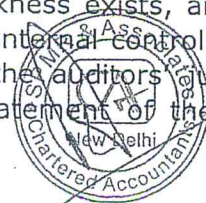
Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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



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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 authorisations of management and directors of the receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding preventing or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For SPMR & ASSOCIATES



Ajay Kumar Mittal
(Partner)

M. No. : 095273

Place: New Delhi

Date: 04/06/2016

SPMR & ASSOCIATES

Chartered Accountants

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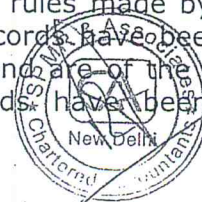
HIMACHAL ENERGY PRIVATE LIMITED.

Annual Report 2015-16

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in term Section 143(11) of the Companies Act, 2013 ('the Act') of HIMACHAL ENERGY PRIVATE LIMITED. ('the Company)

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



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- (7) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, employees' State insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than Six months from the date they became payable.
 - c) According to the information and explanations given to us by the management and records of the Company examined by us, there are no disputed dues of Income Tax, Sales tax, Service Tax and Custom Duty as at 31st March, 2016.
- (8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan of borrowing to banks. The Company does not have any loans borrowing from financial institutions of government and has not issued any debentures.
- (9) The Companies has not raised money by way of initial public offer or further public offer (including debts instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (10) To the best of our knowledge and according to the information and explanations to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (11) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Company.



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Chartered Accountants

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- (15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the act are not applicable.
- (16) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

Place: New Delhi
Date: 04/06/2016

For SPMR & ASSOCIATES



M. No. : 095273

Particulars	Note No.	As At 31st March 2016	As At 31st March, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	114,400,000	220,000,000
(b) Reserves & Surplus	3	333,273,111	742,194,416
(c) Securities convertible in to Equity Shares		150,000,000	-
		597,673,111	962,194,416
Non-Current Liabilities			
(a) Deferred Tax Liability (Net)	4	506,236	-
(b) Long Term Provisions	5	2,188,085	1,721,924
		2,694,321	1,721,924
Current Liabilities			
(a) Short Term Borrowings	6	348,983,560	346,975,597
(b) Trade Payables	7	329,423,303	295,933,558
(c) Other Current Liabilities	8	9,333,585	11,020,657
(d) Short Term Provisions	5	1,236,693	41,478,716
		688,977,141	695,408,528
		1,289,344,573	1,659,324,868
ASSETS			
Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		301,964,702	317,574,676
(ii) Intangible Assets		1,487,064	2,104,853
(b) Non Current Investments	10	-	315,124,000
(c) Long Term Loans and Advances	11	10,041,361	11,928,951
		313,493,127	646,732,480
Current Assets			
(a) Inventories	12	213,619,847	258,901,413
(b) Trade Receivables	13	440,022,471	456,518,470
(c) Cash and Bank Balances	14	74,965,072	62,662,334
(d) Short Term Loans & Advances	11	247,244,056	234,510,171
		975,851,446	1,012,592,388
		1,289,344,573	1,659,324,868

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 42)

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

For SPMR & Associates

Chartered Accountants

(Firm Registration No. : 007578N)

(M. No. 09273)

(M. No. 09273)

Place : New Delhi

Date : 04/06/2016

For and on behalf of Board

Lalit Seth

Lalit Seth

Director

DIN-00312007

Rishi Seth

Rishi Seth

Director

DIN-00203469

Sudershan Dev Pradeep

Sudershan Dev Pradeep

Company Secretary

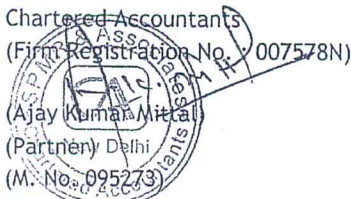
Statement of Profit and Loss for the period ended 31st March 2016

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March, 2015
I. Revenue from operations	15	1,058,776,173	1,103,959,549
Revenue from operations (Net)		1,058,776,173	1,103,959,549
II. Other income	16	5,397,611	6,571,346
III. Total Revenue (I + II)		1,064,173,784	1,110,530,895
IV. Expenses:			
Cost of materials consumed	17	675,850,920	839,509,724
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	51,938,022	(43,968,939)
Employee Benefits Expenses	19	47,855,497	44,225,822
Finance Cost	20	58,379,810	55,655,831
Depreciation and Amortization Expenses	9	22,161,112	22,044,443
Other Expenses	21	49,947,264	47,846,603
Total expenses		906,132,625	965,313,484
V. Profit before tax (III-IV)		158,041,159	145,217,411
VI. Tax Expense:			
(1) Current tax		34,500,000	31,864,233
(2) Deferred tax		506,236	-
(3) Mat Credit		2,898,860	(8,712,062)
VII. Profit for the year (V-VI)		120,136,063	122,065,240
VIII. Earnings per equity share:	22		
(1) Basic		10.22	5.55
(2) Diluted		7.42	5.55

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 42)

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

For SPMR & Associates
Chartered Accountants
(Firm Registration No. 007578N)
(Ajay Kumar Mittal)
(Partners) Delhi
(M. No. 095273)
Place : New Delhi
Date :



For and on behalf of Board

Lalit Seth *Rishi Seth*

Lalit Seth

Rishi Seth

Director

Director

DIN-00312007

DIN-00203469

Sudershan Dev Pradeep
Sudershan Dev Pradeep
Company Secretary

HIMACHAL ENERGY PVT LTD

Cash Flow Statement for the period ended 31st March, 2016

(Amount in ₹)

	As At 31st March 2016	As At 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	158,041,159	145,217,411
Adjustments for :		
- Depreciation and amortisation Expenses	22,161,112	22,044,443
- Finance Expenses	58,379,810	55,655,831
- Interest Income	(5,115,456)	(6,228,101)
- Dividend Received	(225,000)	(225,000)
Operating profit before working capital changes	233,241,625	216,464,584
Adjustments for :		
Decrease/(Increase) in Trade receivables	16,496,000	(198,098,600)
Decrease/(Increase) in Security Deposits	1,887,590	(10,940,100)
Decrease/(Increase) in Short Term Advances	(17,837,637)	(36,320,960)
Decrease/(Increase) in Inventories	45,281,566	(77,977,007)
Increase / (Decrease) in Short Term Provision	(523,998)	193,165
Increase / (Decrease) in Long Term Provision	466,161	481,639
Increase / (Decrease) in Other Current Liabilities	(1,687,072)	(41,402,603)
Increase / (Decrease) in Trade Payables	33,489,745	207,906,132
Cash Generated from operations	310,813,979	60,306,250
- Taxes Paid (Net of Refunds)	(32,295,108)	(32,785,931)
NET CASH FROM OPERATING ACTIVITIES	278,518,871	27,520,319
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(5,933,348)	(6,234,749)
- Purchases of Investments (Net)	315,124,000	-
- Dividend Received	225,000	225,000
- Interest Income Received	5,115,456	6,228,101
NET CASH USED IN INVESTING ACTIVITIES	314,531,108	218,352
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Working Capital Loan (Net)	2,007,963	51,721,400
- Finance Expenses	(58,379,810)	(55,655,831)
- Proceeds from issue of Debentures	150,000,000	-
- Impact of scheme of Arrangement	(634,657,368)	-
- Dividends Paid on equity shares	(33,000,000)	(2,200,000)
- Tax on Dividends Paid on equity shares	(6,718,025)	(28,415,640)
NET CASH USED IN FINANCING ACTIVITIES	(580,747,241)	(34,550,071)
Net changes in cash & cash equivalents (A+B+C)	12,302,738	(6,811,400)
Cash & Cash equivalents - Opening balance	62,662,334	69,473,734
Cash & Cash equivalents - Closing Balance	74,965,072	62,662,334

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 42)

As per our report of even date attached

PLACE : NEW DELHI
DATED : 04/06/2016

For and on behalf of Board

Lalit Seth

Rishi Seth

Director

Director

DIN-00312007

DIN-00203469

Sudershan Dev Pradeep
Company Secretary

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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's manufacturing facilities are located at Jabli in Himachal Pradesh.

SIGNIFICANT ACCOUNTING POLICIES**A) Basis of Accounting**

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

B) Use of Estimates

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

C) Fixed Assets

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

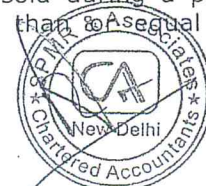
Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.

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

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

D) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is charged proportionately. Assets individually costing less than or equal to Rs. 5,000/- are fully depreciated in the period of purchase.



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

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

E) Impairment

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

F) Inventories

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

G) Revenue Recognition

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

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

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

H) Revenue from Fixed Price Contractual Projects

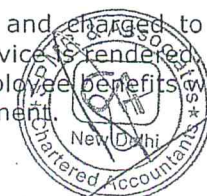
Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from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

I) Research & Development

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

J) Retirement Benefits

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



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

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

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

Termination benefits are recognized as an expense immediately.

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

K) Investments

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

L) Borrowing Cost

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

M) Cash Flow

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

N) Taxation

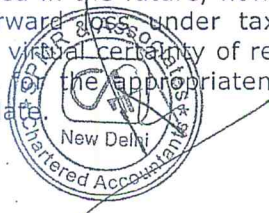
Income tax expense comprises current tax and deferred tax charge or credit.

Current Taxes

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

Deferred Taxes

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



O) Lease**Financial lease**

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

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

Operating lease

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

P) Foreign Currency Translation

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/ Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expenses over the life of the contracts.

To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expenses for the period.

To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option.

To account for profit / loss arising on settlement or cancellation of currency option as income / expenses for the period.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet dates, and to ignore the net gain, if any.

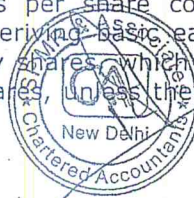
To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

Q) Earnings Per Share

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



R) Provisions and Contingencies

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

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

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

S) Government Grant

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

T) Segment Reporting

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

1. Identification of Segments:**Primary- Business Segment**

The Company has identified two reportable segments viz. Metering, Projects on the basis of the nature of products, the risk and return profile of individual business & the internal Business reporting systems.

Secondary- Geographical Segment

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

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



2 Share Capital

Particulars	As At 31st March, 2016		As At 31st March, 2015	
	₹		₹	
a (a) Authorised 22,000,000 Equity Shares of ₹ 10/- each (Previous year 22,000,000 Equity Shares of ₹ 10/- each)	220,000,000		220,000,000	
	220,000,000		220,000,000	
b (b) Issued, Subscribed & Paid Up 440,000 Equity shares of Rs. 10/- each Fully paidup (Previous year 22,000,000 Equity Shares of ₹ 10/- each fully paid up)Refer note-23	4,400,000		220,000,000	
c 10% Cumulative Compulsorily Redeemable Preference Shares 11,000,000 Preference Shares of Rs. 10/-each (P.Y. NIL) Refer note-23	110,000,000			
Total	114,400,000		220,000,000	

Footnotes:

(l) Pursuant to scheme approved by Hon'ble High Court of Himachal Pradesh, Shimla, the Company issued 11,000,000 10% Cumulative Compulsorily Redeemable Preference Shares (CCRP) of Rs. 10 each aggregating to Rs. 110,000,000. The scheme is operative from the appointed date 30th September 2015 and effect of the scheme is given in the present audited accounts w.e.f. appointed date i.e. 30th September 2015 and these CCRP have been classified under share capital. These CCRP will be redeemed with in a period of 20 years from the date of issue. (Refer note-23)

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

Particulars	As At 31st March, 2016				As At 31st March, 2015			
	Equity Shares		Preference Shares		Equity Shares		Preference Shares	
	No. of Equity Shares held	₹	No. of Preference Shares held	₹	No. of Equity Shares held	₹	No. of Preference Shares held	₹
Shares outstanding at the beginning of the year	22,000,000	220,000,000	-	-	22,000,000	220,000,000	-	-
Shares cancelled during the year pursuant to Scheme of Arrangement	22,000,000	220,000,000	-	-	-	-	-	-
Shares issued pursuant to Scheme of Arrangement *	440,000	4,400,000	11,000,000	110,000,000	-	-	-	-
Shares outstanding at the end of the period	440,000	4,400,000	11,000,000	110,000,000	22,000,000	220,000,000	-	-

The company has one class of shares having a par value of ₹10 per share. Each class of share holder is entitled to one vote per share.

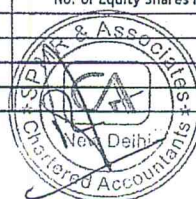
* scheme of arrangement approved by Hon'ble High Court of Himachal Pradesh, Shimla vide order dated 21.03.2016. (Refer

(c) Equity Shareholders holding more than 5% shares in the company :-

Name of Shareholder	As At 31st March, 2016		As At 31st March, 2015	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	153,980	35	7,700,000	35
Ms. Praveen Seth	110,000	25	5,500,000	25
Mr. Rishi Seth	88,000	20	4,400,000	20
Mr. Gautam Seth	88,000	20	4,400,000	20

(d) Preference Shareholders holding more than 5% shares in the company :-

Name of Shareholder	As At 31st March, 2016		As At 31st March, 2015	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	3,849,500	35	-	-
Ms. Praveen Seth	2,750,000	25	-	-
Mr. Rishi Seth	2,200,000	20	-	-
Mr. Gautam Seth	2,200,000	20	-	-



3 Reserves and Surplus

(a) General Reserve	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Opening Balance	121,700,000	116,700,000
(+) Current period / year transfer	-	5,000,000
Closing Balance	121,700,000	121,700,000

(b) Surplus	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Opening balance	620,494,416	694,493,618
(+) Net Profit/(Loss) For the current year	120,136,063	122,065,240
(-) Proposed Dividend	-	33,000,000
(-) Tax on Proposed Dividend	-	6,718,025
(-) Transfer to Reserve	-	5,000,000
(-) Impact of Arrangement Scheme*	529,057,368	-
(-) Impact of transitional provision as per Schedule II of the Companies Act, 2013	-	151,346,417
Closing Balance	211,573,111	620,494,416
Total Reserves & Surplus (a+b)	333,273,111	742,194,416

* scheme of arrangement approved by Hon'ble High Court of Himachal Pradesh, Shimla vide order dated 21.03.2016. (Refer note no. 23)

4 Deferred Tax Liability

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Deferred Tax Liability:		
Opening Balance	-	-
Addition:- Deferred Tax Liability / (Assets)	506,236	-
Net Deferred tax liability	506,236	-

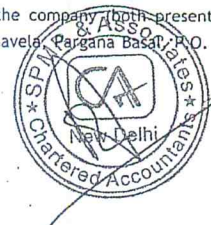
5 Provisions

Particulars	Long-term		Short-term	
	As At 31st March, 2016	As At 31st March, 2015	As At 31st March, 2016	As At 31st March, 2015
	₹	₹	₹	₹
(a) Provision for employee benefits				
Gratuity	2,188,085	1,721,924	60,353	38,547
Leave Encashment	-	-	1,176,340	1,722,144
(b) Others provisions				
Proposed Equity Dividend	-	-	-	33,000,000
Provision for tax on proposed Dividend	-	-	-	6,718,025
Total	2,188,085	1,721,924	1,236,693	41,478,716

6 Short Term Borrowings

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Loans repayable on demand		
- From Banks*	348,983,560	346,975,597
Total	348,983,560	346,975,597

*Working capital facilities (fund based and non-fund based) are secured by way of first pari-passu charge over the current assets of the company including receivables both present and future, and second on fixed assets of the company (both present and future) including Equitable Mortgage of factory land and building situated at Khasra No. 132/70/2, Vill : Shavela, Pargana Basat, P.O. Jabli, Tehsil : Kasauli, Distt. Solan (Himachal Pradesh), and personal guarantee of two promoter directors.



7 Trade Payables

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Trade Payables		
Due to Micro, Small and Medium Enterprises under MSMED Act, 2006*	50,492,016	37,780,719
For Others	278,931,287	258,152,839
Total	329,423,303	295,933,558

* Refer Notes No. 27

8 Other Current Liabilities

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Other Payables		
Expenses Payable	2,851,588	3,480,072
T.D.S. & Service Tax Payable	1,012,750	213,113
Sales Tax Payable	2,489,958	4,473,145
Contribution to PF & ESI	586,385	433,420
Salary Payable	2,392,904	2,420,907
Total	9,333,585	11,020,657

10 Non Current Investments

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Non-Trade Investments (Valued at Cost)		
Investment in Equity instruments		
Unquoted Non-Trade		
HPL India Limited		
Nil (P.Y. 1,46,312 nos. Face Value ₹10/- each)	-	292,624,000
HPL Electric & Power Pvt. Limited		
Nil (P.Y.22,50,000 nos. Face Value ₹10/- each)	-	22,500,000
Total	-	315,124,000

11 Loans and advances

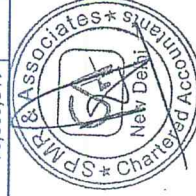
Particulars	Non-current		Current	
	As At 31st March, 2016	As At 31st March, 2015	As At 31st March, 2016	As At 31st March, 2015
	₹	₹	₹	₹
Long Term Loans and Advances				
Capital Advances				
Unsecured, considered good	10,000,000	10,000,000	-	-
Security Deposits				
Unsecured, considered good	41,361	1,928,951	-	-
Other loans and advances				
Unsecured, considered good				
Advance Income Tax (net of Provision for Taxation)	-	-	16,543,787	18,748,678
Prepaid Expenses	-	-	1,214,237	602,789
Insurance Recoverable	-	-	9,690,606	-
Balance with Sale Tax	-	-	385,313	605,112
Service Tax Recoverable	-	-	17,129,956	16,488,509
WCT Recoverable	-	-	5,611,218	4,973,222
Earnest Money Deposit	-	-	33,102,146	40,065,563
Mat Credit Entitlement	-	-	148,760,418	151,659,278
Other Advances	-	-	4,806,376	1,367,020
Total	10,041,361	11,928,951	247,724,056	234,510,171



HIMACHAL ENERGY PVT LTD
9 FIXED ASSETS

(Amount in ₹)

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
		AS AT 1-Apr-15	ADDITIONS	AS AT 31-Mar-16	AS AT 1-Apr-15	FOR THE PERIOD	TOTAL 31-Mar-16	AS ON 31-Mar-16	AS ON 31-Mar-15
A	TANGIBLE								
1	Land and Site Development	47,616,228	-	47,616,228	-	-	-	47,616,228	47,616,228
2	Building	139,537,900	-	139,537,900	25,713,676	5,008,772	30,722,448	108,815,452	113,824,242
3	Plant & Machinery	216,101,669	5,833,649	221,935,318	63,713,890	15,717,302	79,431,192	142,504,126	152,387,747
4	Office Equipment	7,855	67,947	75,802	7,855	5,111	12,966	62,836	-
5	Furniture & Fittings	5,521,489	31,753	5,553,242	3,255,414	461,503	3,716,917	1,836,325	2,266,042
6	Vehicles	1,166,506	-	1,166,506	697,285	205,448	902,733	263,773	469,242
7	Computers	4,875,733	-	4,875,733	3,864,584	145,187	4,009,771	865,962	1,011,111
	Total (A)	414,827,380	5,933,349	420,760,729	97,252,704	21,543,323	118,796,027	301,964,702	317,574,642
B	INTANGIBLE								
1	Software	3,756,910	-	3,756,910	1,652,057	617,789	2,269,846	1,487,064	2,104,881
	Total (B)	3,756,910	-	3,756,910	1,652,057	617,789	2,269,846	1,487,064	2,104,881
	Total (A+B)	418,584,290	5,933,349	424,517,639	98,904,761	22,161,112	121,065,873	303,451,765	319,679,523
	Previous Year	412,349,543	6,234,749	426,417,639	76,860,319	15,280,854	114,185,615	312,232,023	335,489,222



12 Inventories

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
a. Raw Materials and components		
(i) In Hand	80,200,456	76,167,961
(ii) Material-in-transit	11,311,020	8,777,511
b. Work-in-progress	96,588,843	134,472,518
c. Finished goods	24,602,791	38,657,138
d. Stores and spares	916,738	826,285
Total	213,619,847	258,901,413

13 Trade Receivables

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
Trade receivables (Unsecured)		
(i) Considered good	440,022,471	456,518,470
Total	440,022,471	456,518,470

14 Cash and Bank Balances

Particulars	As At 31st March, 2016	As At 31st March, 2015
	₹	₹
<u>Cash and Cash equivalents</u>		
Balances with banks:		
In current Accounts	419,036	2,407,716
Cash in hand	2,639,724	532,315
	3,058,760	2,940,031
<u>Other Bank Balances</u>		
Balances with Banks held as Margin Money	71,906,312	59,722,303
	71,906,312	59,722,303
Total	74,965,072	62,662,334

15 Revenue From Operations

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Sale of products	1,058,776,173	1,103,959,549
Total	1,058,776,173	1,103,959,549



16 Other Income

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Interest on FDR [TDS ₹487,400/- (P.Y. ₹ 486,468/-)]	4,546,333	5,257,065
Other Interest	569,123	971,036
Dividend	225,000	225,000
Other non-operating income (net of expenses directly attributable to such income)	57,155	118,245
Total	5,397,611	6,571,346

17 Consumption of Raw Materials & Components

Particulars	Year ended 31st March 2016		Year ended 31st March, 2015	
	₹	%	₹	%
i) Raw Materials consumption				
Indigenous	577,414,732	85.44	800,207,894	95.32
Imported	98,436,189	14.56	39,301,830	4.68
Total	675,850,920	100.00	839,509,724	100.00

17(a) Particulars of Raw Materials Consumed

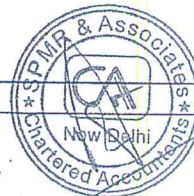
Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Electronic & Mechanical components	665,404,622	791,954,152
Other Materials	10,446,298	47,555,572
Total	675,850,920	839,509,724

17(b) Particulars of Raw Materials Consumed

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Electronic Components	294,173,183	319,613,592
Engineering Plastic	183,167,871	117,525,198
Packing	8,595,065	5,341,433
Others	189,914,801	397,029,501
Total	675,850,920	839,509,724

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

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Inventories (at close)		
Finished Goods	24,602,791	38,657,138
Work-in-Progress	96,588,843	134,472,518
	121,191,634	173,129,656
Inventories (at commencement)		
Finished Goods	38,657,138	35,202,740
Work-in-Progress	134,472,518	93,957,977
	173,129,656	129,160,717
Total	51,938,023	(43,968,939)



Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
(i) Salaries and wages	42,111,643	36,126,619
(ii) Contribution to provident and other funds	2,940,881	2,939,253
(iii) Staff welfare expenses	2,802,973	5,159,950
Total	47,855,497	44,225,822

20 Finance Cost

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Interest Expenses	45,400,824	41,676,201
Bank Charges	12,978,986	13,979,630
Total	58,379,810	55,655,831

21 Other Expenses

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Power and Fuel	7,108,423	8,170,504
Job Work Charges	17,330,018	14,317,089
Rent	307,800	371,860
Repairs to Buildings	307,382	333,378
Repairs to Machinery	3,040,877	658,793
Testing Expenses	5,557,191	6,753,498
Rates and taxes excluding taxes on income	2,670,875	2,310,497
Legal & Professional Expenses	4,241,697	1,285,661
Travelling & Conveyance	2,600,682	3,314,901
Communication Expenses	346,662	418,758
Printing & Stationery	263,442	251,768
Repairs & Maintenance (Others)	2,713,422	3,009,619
Insurance	963,003	996,406
Membership & Subscription	9,971	42,444
Selling & Distribution Expenses	1,960,535	5,047,784
Donation	5,100	14,200
Auditor's Remuneration	80,500	56,180
Miscellaneous Expenses	439,684	493,263
Total	49,947,264	47,846,603

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

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
(i) Profit after tax	120,136,063	122,065,240
Less:- Dividend on 10% CCR Preference share	5,500,000	-
Balance available for equity shareholder's	114,636,063	122,065,240
(ii) Weighted average number of equity shares for basic EPS	11,220,000	22,000,000
(iii) Weighted average number of equity shares for dilutive EPS	15,440,000	22,000,000
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	10.22	5.55
(vi) Earning Per Share (Dilutive)	7.42	5.55



23 Scheme of arrangement approved by Hon'ble High Court of Himachal Pradesh, Shimla.

- I. A Scheme of Arrangement was framed under the provisions of sections 391 and 394; sections 100 to 104 of the Companies Act, 1956, and other applicable provisions, if any, for the following:
- De-merger of Investment Division of Himachal Energy Pvt Ltd (the Demerged Company) into HPL Projects Portfolio Pvt Ltd (the Resultant Company);
 - Re-arrangement/Reduction of post De-merger Capital of Himachal Energy Pvt Ltd; and
 - Re-arrangement/Reduction of post De-merger Capital of HPL Projects Portfolio Pvt Ltd
- II. The Salient features of the Scheme of Arrangement are given below:
- All assets and liabilities including Income Tax and all other statutory liabilities, if any, of Investment Division (Demerged Business) of the Demerged Company to be transferred to and vest in the Resultant Company.
 - All the employees of the Demerged Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, to become the employees of the Resultant Company, on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those applicable to them in the Demerged Business of the Demerged Company, on the Effective Date.
 - Appointed Date for De-merger to be fixed 30th September, 2015.
 - The Resultant Company to issue 1 (one) Equity Share of Rs. 10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 100 (one hundred) Equity Shares of Rs. 10 each held in the Demerged Company.
 - Further, to give effect to the de-merger in its books of accounts, the Demerged Company to cancel its existing issued and paid up share capital and shall, without any further act or deed, issue and allot:
 - 1 (one) Equity Share of Rs. 10 each Rs. 10 each, credited as fully paid-up, to its shareholders for every 50 (fifty) Equity Shares of Rs. 10 each held in the Demerged Company as on the Record Date; and
 - 1 (one) 10% Cumulative Compulsorily Redeemable Preference Share (CRPS) of Rs. 10 each, credited as fully paid-up, to its shareholders for every 2 (two) Equity Shares of Rs. 10 each held in the Demerged Company as on the Record Date.
 - Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- III. The aforesaid Scheme of Arrangement was approved by the Hon'ble High Court of Himachal Pradesh, Shimla vide order dated 21st March, 2016. The Appointed Date of the Scheme was 30th September, 2015. The Scheme became effective on 6th May, 2016, being last of the dates of filing of the Court Orders with the ROC. The Scheme is operative from the Appointed Date-30th September, 2015. Hence, the Scheme has been given effect to in the present audited accounts with effect from Appointed Date -30th September 2015.
- IV. In terms of the Scheme, the Resultant Company has issued 2,20,000 Equity Shares of Rs. 10 each, credited as fully paid up, to the members of the Demerged Company, in exchange of 100% share capital of the Demerged Company after the cancellation of cross holding, if any.
- V. To give effect to the de-merger in its books and as provided in the Scheme, the Demerged Company has cancelled its entire issued and paid up equity share capital and issued 4,40,000 Equity Shares of Rs. 10 each, credited as fully paid-up, and 1,10,00,000 10% Cumulative Compulsorily Redeemable Preference Share (CRPS) of Rs. 10 each, credited as fully paid-up, to its shareholders.
- VI. In terms of the Scheme, all the assets and liabilities pertaining to the Investment Division (Demerged Business) of the Demerged Company which ceased to be the assets and liabilities of the Demerged Company have been reduced by the Demerged Company at their book values. Excess of book value of assets over the book value of liabilities pertaining to the Demerged Business has been deducted from the Reserves and Surplus in the books of the Demerged Company.



24 Auditor's Remuneration

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
(a) Payment to Auditor as		
Audit Fees	69,000	35,000
Tax Audit Fees	11,500	15,000

25 C.I.F. Value of imports

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
I. Raw materials;	89,661,790	57,929,319
II. Capital goods	997,645	2,620,490

26 Related Party Disclosure

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

Particulars	Year ended 31st March 2016	Year ended 31st March, 2015
	₹	₹
Purchase of goods		
1. HPL Electric and Power Ltd.	332,400,159	470,140,228
Sale of goods		
1. HPL Electric and Power Ltd.	120,371,337	1,650,482
Purchase of Investment at book Value		
1. HPL Electric and Power Ltd.	150,667,050	-
Purchase of Assets at Book Value		
1. HPL Electric and Power Ltd.	850,000,356	-

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

Particulars	As at	As at
	31.03.2016	31.03.2015
TRADE PAYABLES		
(A) Associates :		
1. HPL Electric and Power Ltd.	149,033,335	138,947,648

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

(A) Associates :

(1) HPL Electric & Power Ltd.

Name of related parties with and description of relationship :

(A) Associates :

(1) HPL Electric & Power Ltd.

(3) LK HPL Pvt. Ltd.

(5) Havells Electronics Pvt. Ltd.

(7) Jesons Impex Pvt. Ltd.

(9) Havells Pvt. Ltd.

(2) HPL India Ltd.

(4) HPL Power Corporation Ltd.

(6) Amerex India Pvt. Ltd.

(8) Amerex Pvt. Ltd.

(10) HPL Projects Portfolio Pvt Ltd.

(B) Key Management Personnel :

(1) Shri Lalit Seth

(3) Shri Gautam Seth

(2) Shri Rishi Seth

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth

(3) Mrs. Vani Seth

(2) Mrs. Pooja Seth



- 27 Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2016 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.
- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st Mar, 2016 - ₹ 50,492,016/- (P.Y. ₹ NIL)
 - Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)
 - Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED - Nil (P.Y. Nil)
 - Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2016 - Nil (P.Y. Nil)
- 28 **Prior Period Items**
Prior period income/ expenses during the period ended 31st March, 2016 ₹ NIL (P.Y. ₹ Nil).

	Year ended 31st March 2016	Year ended 31 March, 2015
29 Construction Contract Reporting		
a) Contract revenue recognised as revenue in the period [Clause 39(a)]	₹ 15,166,487	₹ 64,925,615
b) Aggregate amount of cost incurred and recognised profit up to the reporting date on contracts under process [Clause 40 (a)]	-	-
c) Advances received on Contracts under process [Clause 40 (b)]	-	-
d) Gross amount due from customers for contract work as an assets [Clause 42(a)]	-	-
e) Gross amount due to customers for contract work as a liability [Clause 42(b)]	-	-

30 **Employee's Benefit**

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

a) **Defined contribution Plans**

Contribution to defined contribution plan, recognised as expense for the period ending 31st March, 2016 are as under:

	As at 31.03.2016	As at 31.03.2015
Employer's contribution to Provident Fund	₹ 2,236,000	₹ 2,175,106
Employer's contribution to ESI	₹ 704,881	₹ 764,147

b) **Defined Benefit Plans**

i) **Reconciliation of opening and closing balances of Defined Benefit Obligation**

	Gratuity (Non Funded)	
	₹	₹
Defined Benefit obligation at beginning of period	1,760,471	1,271,109
Current Services Cost	449,063	405,212
Interest Cost	140,838	101,689
Actuarial (gain)/loss	93,817	118,499
Benefit paid	(195,751)	(136,038)
Defined Benefit obligation at period ending	2,248,438	1,760,471

ii) **Expenses recognised during the period**

	Gratuity (Non Funded)	
	₹	₹
Current Service Cost	449,063	405,212
Interest Cost	140,838	101,689
Net actuarial (gain)/loss recognised in the period	93,817	118,499
Net Cost	683,718	625,400

iii) **Actuarial Assumption**

Rate of escalation in salary (p.a.)	5% p.a.	5% p.a.
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal Rate (p.a.)	2% p.a.	2% p.a.



31 Borrowing Costs

No borrowing costs (P.Y. ₹ Nil) attributable to the acquisition or construction of qualifying assets are capitalized as a part of those assets during the period.

32 Segment ReportingBusiness Segments

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 :-

Primary Business Segment	As at 31.03.2016	As at 31.03.2015
	₹	₹
Revenue		
Segment Revenue (Gross)		
Metering	1,043,609,685	1,039,033,934
Projects	15,166,487	64,925,615
	<u>1,058,776,173</u>	<u>1,103,959,549</u>
Result		
Segment Result		
Metering	227,093,401	205,680,497
Projects	(5,895,481)	(2,915,507)
	<u>221,197,920</u>	<u>202,764,990</u>
Unallocated expenses net of Income	4,776,952	1,891,748
Operating Profit	216,420,968	200,873,242
Interest Expenses	58,379,810	55,655,831
Profit Before Tax	<u>158,041,158</u>	<u>145,217,411</u>
Tax expenses	37,905,096	23,152,171
Profit After Tax	<u>120,136,062</u>	<u>122,065,240</u>
Other Information		
Segment Assets		
Metering	932,378,445	930,541,811
Projects	191,661,923	243,251,102
Unallocated	165,304,205	485,531,955
	<u>1,289,344,573</u>	<u>1,659,324,868</u>
Segment Liabilities		
Metering	331,408,545	339,585,489
Projects	10,773,121	10,569,366
Unallocated	348,983,560	346,975,597
	<u>691,165,226</u>	<u>697,130,452</u>
Capital Expenditure		
Metering	5,933,349	6,234,749
	<u>5,933,349</u>	<u>6,234,749</u>
Depreciation		
Metering	13,574,446	13,433,111
Projects	8,586,666	8,611,332
	<u>22,161,112</u>	<u>22,044,443</u>

33 Assets taken under LeaseOperating Lease

Office premises are taken on operating lease. There is no contingent rent in the lease agreements. The lease agreements are for 1-3 years and are renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreement.

Finance Lease

Company has not made any significant leasing arrangements in respect of finance lease. Therefore, the accounting standard (AS-19), 'Leases' is not applicable for reporting finance lease to the company.

34 Research & Development Expenses during the period ended 31st March,2016 : NIL (P.Y. NIL).

25 Deferred Tax
Deferred tax in the current year is Rs. 506,236/- (P.Y. NIL).

Particulars	As at 31.03.2016
Deferred tax liability on account of Depreciation	506,236

36 Intangible Assets
In accordance with Accounting Standard - 26 on 'Intangible Assets', miscellaneous expenditure incurred by the company is being charged off to the Statement of Profit & Loss, unless it qualifies to be an 'Intangible Asset', in which case it shall be recognized according to Accounting Standard 26, issued by the the ICAI.

37 Derivative Instruments
a) The company has not entered into any derivative transactions during the period ending 31st March,2016 (P.Y. NIL).
b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March,2016 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 23,991,759/-	Nil
Previous Year	Indian Rupees	₹ 12,421,494/-	Nil

38 Capital Commitment (Amount in ₹)
As at 31.03.2016 As at 31.03.2015

Estimated amount of contracts remaining to be excuted on capital account and not provided for (Net of Advance)

Nil Nil

39 As per the provisions of section 135 of the companies act ,2013,the company has to provide 2% of avrage net profits of preceding 3 financial years towards corporate social resposibility (CSR).Accordingly,a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the companies Act, 2013.The company has formed the trust to this specified purpose and will start contributing once this trust is registered with the concerned authorities.

As at 31.03.2016 As at 31.03.2016
Nil Nil

41 Contingent Liabilities

42 Since the Scheme of Arrangement has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 42)

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

For SPMR & Associates
Chartered Accountants
(Firm Registration No. : 007578N)
(M. No. 095273)
PLACE : NEW DELHI
DATED : 04/06/2016

For and on behalf of Board
Lalit Seth Rishi Seth
Director Director
DIN-00312007 DIN-00203469

Sudershan Dev Pradeep
Company Secretary