

# 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.

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statement of Himachal Energy Private Limited ('the Company') which comprise the balance sheet as at March 31, 2018, statement of Profit and loss (including other comprehensive income) the statement of changes in equity 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act, read with the companies (Indian Accounting Standard) Rules 2015, as amended, and 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 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 Ind AS statements based on our audit.

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to



# SPMR & ASSOCIATES

## CHARTERED ACCOUNTANTS

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

fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31<sup>st</sup> March, 2018 and its Profit, total comprehensive income, the change in equity and its Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, 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, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:



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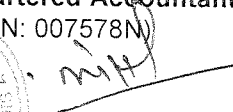

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A-121, First Floor, Main Vikash Marg, Shakarpur, New Delhi-110092

- i. The company has disclosed the impact of pending litigation on its financial position in its Ind AS 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.

Place: New Delhi  
Date: 21.05.2018

For SPMR & Associates  
Chartered Accountants  
(FRN: 007578M)

Ajay Kumar Mittal  
Partner  
M. No: 095273

# SPMR & ASSOCIATES

## CHARTERED ACCOUNTANTS

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

### Himachal Energy Private Limited

#### ANNEXURE 'A' 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 Private Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the 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.

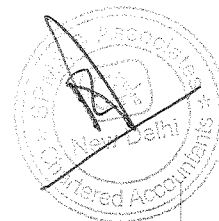
#### Auditor's Responsibility

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



# SPMR & ASSOCIATES

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

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

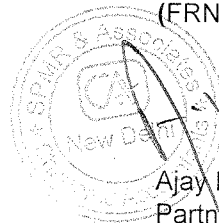
### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations 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, 2018, 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.

For SPMR & ASSOCIATES  
Chartered Accountants  
(FRN: 007578N)



Ajay Kumar Mittal  
Partner  
M. No: 095273

Place: New Delhi  
Date: 21.05.2018

# SPMR & ASSOCIATES

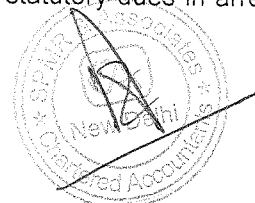
## CHARTERED ACCOUNTANTS

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

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

(Referred to in paragraph, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (1) In respect of the Company's fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, on our opinion, provides physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (3) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (5) The company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company.
- (6) The Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any product/services rendered by the Company and therefore, the provision of the clause 3(vi) of the Order are not applicable to the Company.
- (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, Goods and service 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, Goods and Service tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrear as at 31<sup>st</sup> March



# SPMR & ASSOCIATES

## CHARTERED ACCOUNTANTS

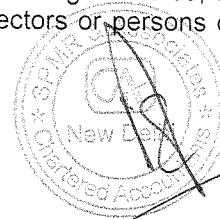
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2018 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us by the management and records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Service Tax and Excise Duty as at 31st March, 2018 which have not been deposited on account of dispute, are given below:

Name of statute	Nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	Amount (Rs. In lakhs)
Income tax	Income Tax	2009-10	Income tax Assessing Officer	2.06
Income tax	Income Tax	2011-12	Income tax Assessing Officer	23.21
Income tax	Income Tax	2016-17	Income tax Assessing Officer	4.37
PF	PF Demand	2011-16	EPF Appellate Tribunal	3.02

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



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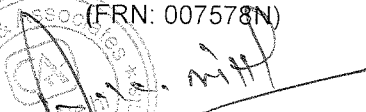
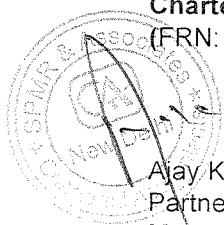
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- (16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SPMR & Associates

Chartered Accountants

(FRN: 007578N)

Ajay Kumar Mittal  
Partner  
M. No: 095273

Place: New Delhi  
Date: 21.05.2018



Particulars	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	3	3,375.22	2,747.36	2,441.85
Intangible assets	4	-	-	14.87
Financial assets				
i. Loans	5	7.06	0.41	0.41
Deferred tax assets (Net)	6	1,906.94	1,976.25	2,000.10
Other non-current assets	7	100.00	100.00	100.00
<b>Total non-current assets</b>		<b>5,389.22</b>	<b>4,824.02</b>	<b>4,557.23</b>
<b>Current Assets</b>				
Inventories	8	2,747.56	3,337.94	1,549.00
Financial assets				
i. Trade receivables	9	6,139.00	2,806.57	3,793.77
ii. Cash and cash equivalents	10	32.53	25.26	30.59
iii. Bank balances other than (ii) above	11	871.23	769.53	719.06
iv. Other financial assets	12	377.19	494.45	427.93
Current tax assets (Net)	13	0.06	15.89	165.44
Other current assets	7	321.75	541.45	391.47
<b>Total current assets</b>		<b>10,489.32</b>	<b>7,991.09</b>	<b>7,077.26</b>
<b>Total assets</b>		<b>15,878.54</b>	<b>12,815.11</b>	<b>11,634.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	1,544.00	1,544.00	44.00
Instruments entirely equity in nature	14A	-	-	1,500.00
Other equity	15	3,132.56	2,610.24	2,023.84
<b>Total equity</b>		<b>4,676.56</b>	<b>4,154.24</b>	<b>3,567.84</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial liabilities				
i. Borrowings	16	1,375.00	1,265.00	1,155.00
Provisions	17	33.87	25.89	21.88
<b>Total non-current liabilities</b>		<b>1,408.87</b>	<b>1,290.89</b>	<b>1,176.88</b>
<b>Current Liabilities</b>				
Financial liabilities				
i. Borrowings	16	3,467.55	3,346.70	3,489.84
ii. Trade payables	18	5,300.03	3,901.45	3,294.23
iii. Other financial liabilities	19	90.85	78.61	52.45
Other current liabilities	20	918.68	29.24	40.89
Provisions	17	16.00	13.98	12.36
<b>Total current liabilities</b>		<b>9,793.11</b>	<b>7,369.98</b>	<b>6,889.77</b>
<b>Total liabilities</b>		<b>11,201.98</b>	<b>8,660.87</b>	<b>8,066.65</b>
<b>Total equity and liabilities</b>		<b>15,878.54</b>	<b>12,815.11</b>	<b>11,634.49</b>

The accompanying notes are an integral part of financial statements

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

For SPMR & Associates  
Chartered Accountants  
(Firm Registration No. : 007578N)

(Ajay Kumar Mittal)  
(Partner)  
(M. No. 095273)  
Place : New Delhi

Date : 21.05.2018



For and on behalf of Board

*Lalit Seth* *Rishi Seth*

Lalit Seth  
Director  
DIN-00312007

Rishi Seth  
Director  
DIN-00203469

*Sudershan Dev Pradeep*  
Sudershan Dev Pradeep  
Company Secretary  
M.NO-A6630

*Neeraj Kumar*  
Neeraj Kumar  
Chief Financial Officer  
M.NO-508653

Particulars		Notes	Year ended 31st March 2018	Year ended 31st March 2017
<b>Income:</b>				
I.	Revenue from operations (Gross)	21	10,245.67	10,213.26
II.	Other income	22	60.90	89.52
III.	<b>Total income (I + II)</b>		<b>10,306.57</b>	<b>10,302.78</b>
<b>IV. Expenses:</b>				
	Cost of materials consumed	23	7,907.86	6,855.61
	Changes in inventories of finished goods, work-in-progress	24	(382.31)	(38.93)
	Excise duty		179.59	881.96
	Employee Benefits Expense	25	616.55	544.01
	Finance Cost	26	486.05	584.64
	Depreciation and Amortization Expenses	27	142.00	124.48
	Other Expenses	28	563.63	476.08
	<b>Total expenses</b>		<b>9,513.37</b>	<b>9,427.85</b>
V.	<b>Profit before tax (III-IV)</b>		<b>793.20</b>	<b>874.93</b>
<b>VI. Income tax expense:</b>				
	(1) Current tax	29	201.14	260.96
	(2) Deferred tax	29	69.46	25.14
VII.	<b>Profit for the year (VI-VII)</b>		<b>522.60</b>	<b>588.83</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
	Remeasurement of post employment benefit obligations		(0.43)	(3.72)
	Income tax relating to these items		0.15	1.29
	<b>Other comprehensive income for the year, net of tax</b>		<b>(0.28)</b>	<b>(2.43)</b>
VIII.	<b>Total comprehensive income for the year</b>		<b>522.32</b>	<b>586.40</b>
<b>IX. Earnings per equity share of ₹10/- each:</b>				
	(1) Basic	30	3.38	4.15
	(2) Diluted		3.38	4.15

The accompanying notes are an integral part of financial statements

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

For SPMR & Associates

Chartered Accountants

(Firm Registration No. : 007578N)

(Ajay Kumar Mittal)

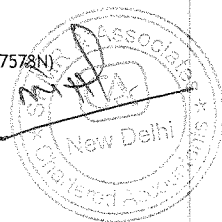
(Partner)

(M. No. 095273)

FRN : 007578N

Place : New Delhi

Date : 21.05.2018



For and on behalf of Board

*Lalit Seth*

Lalit Seth

Director

DIN-00312007

*Sudershan Dev Pradeep*

Sudershan Dev Pradeep

Company Secretary

M.NO-A6630

*Rishi Seth*

Rishi Seth

Director

DIN-00203469

*Neeraj Kumar*

Neeraj Kumar

Chief Financial Officer

M.NO-508653

		Year Ended 31st March 2018	Year ended 31st March, 2017
A.	<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/ (Loss) before tax	793.20	874.93
	Adjustments for :		
	- Depreciation and amortisation Expenses	142.00	124.48
	- Finance Expenses	486.05	584.64
	- Interest Income	(60.53)	(56.43)
	- Loss on sale of fixed assets	1.29	-
	- Dividend Received	-	(5.63)
	Operating profit before working capital changes	1,362.01	1,521.99
	Adjustments for :		
	Decrease/(Increase) in Trade receivables	(3,332.43)	987.21
	Decrease/(Increase) in other financial assets	336.96	(216.51)
	Decrease/(Increase) in Inventories	590.38	(1,788.94)
	Decrease/(Increase) in non-current assets	(6.64)	-
	Increase/(Decrease) in non-current liabilities	117.54	110.30
	Increase/(Decrease) in Other financial liabilities	903.72	16.12
	Increase/(Decrease) in Trade Payables	1,398.58	607.22
	Cash Generated from operations	1,370.12	1,237.39
	- Taxes Paid (Net of Refunds)	(185.32)	(111.41)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,184.80</b>	<b>1,125.98</b>
B.	<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
	- Purchase of property, plant & equipment	(771.16)	(415.12)
	- Dividend Received	-	5.63
	- Interest Income Received	60.53	56.43
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(710.63)</b>	<b>(353.06)</b>
C.	<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	- Proceeds from working capital loan	120.85	-
	- Repayment of working capital loan	-	(143.14)
	- Finance Expenses	(486.05)	(584.64)
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(365.20)</b>	<b>(727.78)</b>
	Net changes in cash & cash equivalents (A+B+C)	108.97	45.14
	Cash & Cash equivalents - Opening balance	794.79	749.65
	Cash & Cash equivalents - Closing Balance	903.76	794.79

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For SPMR & Associates  
Chartered Accountants

(Firm Registration No. : 007578N)

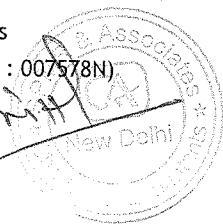
(Ajay Kumar Mittal)

(Partner)

(M. No. 095273)

Place : New Delhi

Date : 21.05.2018



For and on behalf of Board

*Lalit Seth*

Lalit Seth  
Director  
DIN-00312007

*Sudershan Dev*  
Sudershan Dev  
Pradeep  
Company Secretary  
M.NO-A6630

*Rishi Seth*

Rishi Seth  
Director  
DIN-00203469

*Neeraj Kumar*  
Neeraj Kumar  
Chief Financial  
Officer  
M.NO-508653

**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 21, 2018.

**Note-2****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.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) (previous GAAP) and other relevant provisions of the Act.

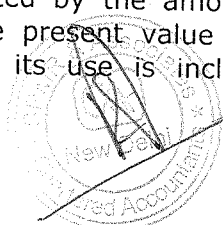
These financial statements are the first financial statements of the Company under Ind AS. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

*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.

#### *Transition to Ind AS*

Under the previous GAAP (Indian GAAP), all assets were carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, all property, plant and equipment have been measured at fair value and same has been considered as deemed cost as at April 01, 2016 (date of transition) in accordance with Ind AS 101 First Time adoption.

#### *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:

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

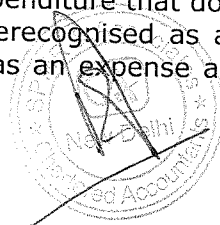
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **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.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## **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**

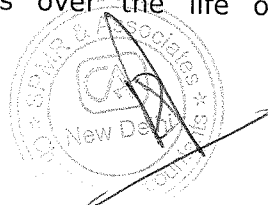
All other equity investments are measured at fair value with changes in fair value recognised in statement of profit and loss except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**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

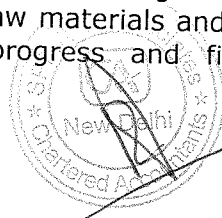
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating 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.

## **F) 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.

### **G) Revenue Recognition**

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually at the time of delivery of goods to the customer. Revenue from sale of goods 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.

### **H) 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.

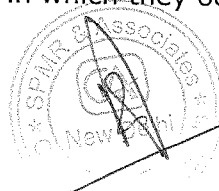
#### *(ii) Post-Employment Benefits*

**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



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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.

### **I) 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.

### **J) Income Tax**

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

#### **K) Lease**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **L) 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.

#### **M) Earnings Per Share**

(i) *Basic earnings per share*

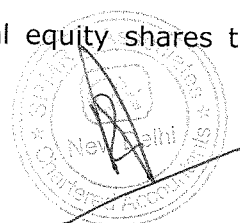
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- 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.

#### **N) 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.

#### **O) 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.

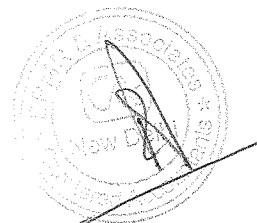
Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

#### **P) 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.

#### **Q) 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.

#### **R) 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.

#### **S) 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.

#### **T) 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.

#### **U) Rounding of amounts**

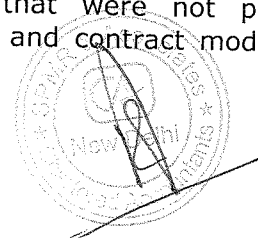
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### **V) Recent accounting pronouncements**

Ind AS 115 – Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018 which includes Ind AS 115 'Revenue from Contracts with Customers'. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

Ind AS 115 – Revenue from contracts with Customers outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications



and improve guidance for multiple-element arrangements.

The new standard will come into effect for the annual reporting periods beginning on or after 1 April 2018. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is in the process of evaluating the impact of the new standard on the Company's financial statements.

## **W) 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**

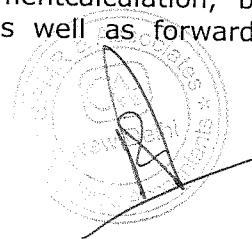
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions 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**

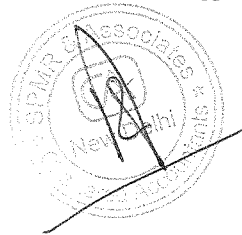
Warranty Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for 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.



## I) Equity Share Capital

(₹ in Lakhs)

	Notes	Amounts
Balance as at 1st April 2016		44.00
Changes during the year	14	1,500.00
Balance as at 31st March 2017		1,544.00
Changes during the year	14	-
Balance as at 31st March 2018		1,544.00

## II) Other equity

(₹ in Lakhs)

	Notes	General reserve	Retained earnings	Total
Balance as at 1st April 2016	15	1,217.00	806.84	2,023.84
Profit for the year			588.83	588.83
Other comprehensive income			(2.43)	(2.43)
Total comprehensive income		-	586.40	586.40
Balance as at 31st March 2017		1,217.00	1,393.24	2,610.24
Profit for the year			522.60	522.60
Other comprehensive income			(0.28)	(0.28)
Total comprehensive income		-	522.32	522.32
Balance as at 31st March 2018		1,217.00	1,915.56	3,132.56

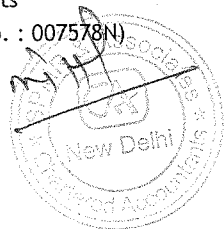
The accompanying notes are an integral part of financial statements

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

For SPMR & Associates  
Chartered Accountants

(Firm Registration No. : 007578N)

(Ajay Kumar Mittal)  
(Partner)  
(M. No. 095273)  
Place : New Delhi  
Date : 21.05.2018



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  
M.NO-A6630

*Neeraj Kumar*  
Neeraj Kumar  
Chief Financial  
Officer  
M.NO-508653



## 3 Property, plant and equipment

S.No.	Particulars	Gross Block			Accumulated Depreciation			Net Block 31st March 2018
		1st April 2017	Additions	Deletion / Adjustment	31st March 2018	1st April 2017	For the year	
1	Freehold Land	1,263.00	-	-	1,263.00	-	-	1,263.00
2	Building	662.00	-	-	662.00	-	-	578.15
3	Plant & Machinery	928.14	769.66	(3.64)	1,694.15	67.37	(2.34)	1,529.53
4	Office Equipment	0.17	0.15	-	0.31	0.01	-	0.26
5	Furniture & Fittings	2.81	1.35	-	4.16	0.23	-	3.63
6	Computers	0.86	-	-	0.86	0.08	-	0.65
	<b>Total (A)</b>	<b>2,856.97</b>	<b>771.16</b>	<b>(3.64)</b>	<b>3,624.48</b>	<b>109.61</b>	<b>(2.34)</b>	<b>3,375.22</b>

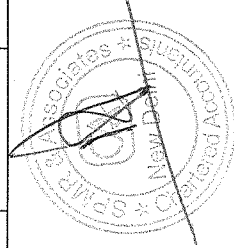
S.No.	Particulars	Gross Block			Accumulated Depreciation			Net Block 31st March 2017
		1st April 2016	Additions	Deletion / Adjustment	31st March 2017	1st April 2016	For the year	
1	Freehold Land	1,263.00	-	-	1,263.00	-	-	1,263.00
2	Building	662.00	-	-	662.00	-	-	620.07
3	Plant & Machinery	514.32	413.82	-	928.14	67.37	-	860.77
4	Office Equipment	-	0.17	-	0.17	0.01	-	0.16
5	Furniture & Fittings	2.53	0.28	-	2.81	0.23	-	2.58
6	Computers	-	0.86	-	0.86	0.08	-	0.78
	<b>Total (A)</b>	<b>2,441.85</b>	<b>415.12</b>	<b>-</b>	<b>2,856.97</b>	<b>109.61</b>	<b>-</b>	<b>2,747.36</b>

a) Refer note 16 for information on property, plant &amp; equipment pledged as security by the Company

## 4 Intangible assets

S.No.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK 31st March 2018
		1st April 2017	ADDITIONS	ADJUST	31st March 2018	1st April 2017	PERIOD	
1	Software	14.87	-	-	14.87	14.87	-	14.87
	<b>Total (B)</b>	<b>14.87</b>	<b>-</b>	<b>-</b>	<b>14.87</b>	<b>14.87</b>	<b>-</b>	<b>14.87</b>

S.No.	Particulars	Gross Block			Accumulated Depreciation			Net Block 31st March 2017
		1st April 2016	Additions	Deletion / Adjustment	31st March 2017	1st April 2016	For the year	
1	Software	14.87	-	-	14.87	-	-	14.87
	<b>Total (B)</b>	<b>14.87</b>	<b>-</b>	<b>-</b>	<b>14.87</b>	<b>-</b>	<b>-</b>	<b>14.87</b>



5 Loans (Unsecured, considered good) (₹ in Lakhs)

Particulars	Non-current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security Deposits	7.06	0.41	0.41
Total	7.06	0.41	0.41

6 Deferred Tax Assets (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
The balance comprises temporary differences attributable to:			
Provision for employee benefits	16.85	12.58	11.32
Provision for doubtful debts	181.85	181.85	181.85
Property, plant and equipment	122.55	211.66	280.25
Others	98.09	82.56	39.08
MAT credit	1,487.60	1,487.60	1,487.60
Total deferred tax assets	1,906.94	1,976.25	2,000.10

Movement in deferred tax assets

Particulars	Provision for employee benefits	Provision for doubtful debts	Property, plant and equipment	Others	MAT credit	Total
At 1st April 2016	11.32	181.85	280.25	39.08	1,487.60	2,000.10
(Charged)/credited:						
- to profit or loss	(0.03)	-	(68.59)	43.49	-	(25.14)
- to other comprehensive income	1.29	-	-	-	-	1.29
At 31st March 2017	12.58	181.85	211.66	82.57	1,487.60	1,976.25
(Charged)/credited:						
- to profit or loss	4.42	-	(89.11)	15.53	-	(69.16)
- to other comprehensive incomes	(0.15)	-	-	-	-	(0.15)
At 31st March 2018	16.85	181.85	122.55	98.10	1,487.60	1,906.94

7 Other current assets (₹ in Lakhs)

Particulars	Non-current			Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital advances	100.00	100.00	100.00	-	-	-
Prepaid Expenses	-	-	-	28.64	5.84	12.14
Balance with government authorities	-	-	-	293.11	535.61	379.33
Total	100.00	100.00	100.00	321.75	541.45	391.47

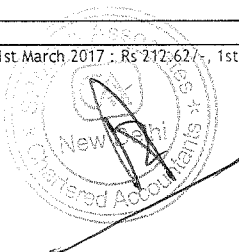
8 Inventories (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a. Raw Materials and components			
(i) Raw materials	1,624.14	2,624.36	802.00
(ii) Material-in-transit	69.87	41.94	113.11
b. Work-in-progress	863.71	425.24	378.69
c. Finished goods	182.25	238.41	246.03
d. Stores and spares	7.59	7.99	9.17
Total	2,747.56	3,337.94	1,549.00

9 Trade Receivables (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Other receivables			
(i) Considered good*	6,139.00	2,806.57	3,793.77
(ii) Considered doubtful	550.00	550.00	550.00
Less: Provision for doubtful receivables	(550.00)	(550.00)	(550.00)
Total	6,139.00	2,806.57	3,793.77

\* includes Rs 212.62/- from companies where directors are interested (31st March 2017 : Rs 212.62/-, 1st April 2016 Rs 11.34/- lakhs)



## 10 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks: In current Accounts	2.59	4.43	4.19
Cash in hand	29.94	20.83	26.40
<b>Total</b>	<b>32.53</b>	<b>25.26</b>	<b>30.59</b>

## 11 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with Banks held as Margin Money	871.23	769.53	719.06
<b>Total</b>	<b>871.23</b>	<b>769.53</b>	<b>719.06</b>

## 12 Other financial assets

(₹ in Lakhs)

Particulars	Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Earnest money deposit	291.75	398.77	331.02
Insurance claim Recoverable	85.44	95.68	96.91
<b>Total</b>	<b>377.19</b>	<b>494.45</b>	<b>427.93</b>

## 13 Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Income Tax (net of Provision for Taxation)	0.06	15.89	165.44
<b>Total</b>	<b>0.06</b>	<b>15.89</b>	<b>165.44</b>

## 14 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Authorised 15,500,000 Equity Shares of Rs 10/- each (31st March 2017, 15,500,000 Equity Shares of Rs 10/- each) (1st April 2016, 22,000,000 Equity Shares of Rs 10/- each)	1,550.00	1,550.00	2,200.00
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares, 31st March 2018, 11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares, 31st March 2017, 1st April 2016 : Nil	1,100.00	1,100.00	-
	<b>2,650.00</b>	<b>2,650.00</b>	<b>2,200.00</b>
(b) Issued, Subscribed & Paid Up 15,440,000 Equity shares of Rs 10/- each Fully paid-up (31st March 2017-15,440,000 Equity Shares of Rs 10/- each fully paid up) (1st April 2016- 440,000 Equity Shares of Rs 10/- each fully paid up)	1,544.00	1,544.00	44.00
<b>Total</b>	<b>1,544.00</b>	<b>1,544.00</b>	<b>44.00</b>

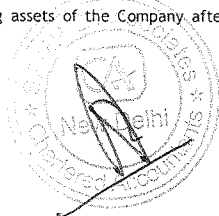
## (b) Reconciliation of share capital at the beginning and close of the accounting year :-

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	154,40,000	1,544.00	4,40,000	44.00
Shares issued pursuant to Scheme of Arrangement*	-	-	150,00,000	1,500.00
Shares outstanding at the end of the year	<b>154,40,000</b>	<b>1,544.00</b>	<b>154,40,000</b>	<b>1,544.00</b>

\*The Company has Converted 15,000,000 (one crore fifty lakhs), 3% Optionally Convertible Debenture of Rs. 10/- each into equal number of equity share of Rs. 10/- each on 9th may 2016.

## (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 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	1,54,000	1.00	1,54,000	1.00	1,53,980	35
Ms. Praveen Seth	1,10,000	0.71	1,10,000	0.71	1,10,000	25
Mr. Rishi Seth	87,980	0.57	87,980	0.57	88,000	20
Mr. Gautam Seth	87,980	0.57	87,980	0.57	88,000	20
HPL Electric and Power Ltd.	150,00,000	97.15	150,00,000	97.15	-	-

## 14A Instruments entirely equity in nature

## (a) Optionable convertible debentures

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening Balance	-	1,500.00
Debentures converted to equity shares during the year	-	(1,500.00)
Closing Balance	-	-

## 15 Reserve &amp; surplus

## (a) General Reserve

Particulars	As at 31st March 2018	As at 31st March 2017
Opening Balance	1,217.00	1,217.00
(+) Current Year Transfer	-	-
Closing Balance	1,217.00	1,217.00

## (b) Retained earnings

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	1,393.24	806.84
Net profit/(loss) for the current year	522.60	588.83
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(0.28)	(2.43)
Closing Balance	1,915.56	1,393.24
Total Reserves & Surplus (a+b)	3,132.56	2,610.24

## 16 Borrowings

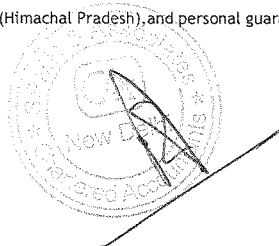
(₹ in Lakhs)

Particulars	Non-current			Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares	1,375.00	1,265.00	1,155.00	-	-	-
-Secured Loans - From Banks				3,467.55	3,346.70	3,489.84
Total	1,375.00	1,265.00	1,155.00	3,467.55	3,346.70	3,489.84

Working capital facility are drawn from consortium of banks and are repayable on demand. State bank of India is the primary lender having an interest of 9.2% per annum.

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 Basal, P.O. Jabli, Tehsil : Kasauli, Distt. Solan (Himachal Pradesh), and personal guarantee of two directors.



**Net Debt Reconciliation**

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

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash and bank balance	903.76	794.80	749.65
Long term borrowings	(1,375.00)	(1,265.00)	(1,155.00)
Short term borrowings	(3,467.55)	(3,346.70)	(3,489.84)
<b>Net debt</b>	<b>(3,938.79)</b>	<b>(3,816.90)</b>	<b>(3,895.19)</b>

Particulars	Cash and cash equivalents	Non Current Borrowings	Current Borrowings	Total
Net debt as at 1st April 2016	749.65	(1,155.00)	(3,489.84)	(3,895.19)
Cash flows	45.15	-	-	45.15
Repayment of working capital loan	-	-	143.14	143.14
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2017	794.80	(1,265.00)	(3,346.70)	(3,816.90)
Cash flows	108.96	-	-	108.96
Proceeds from working capital loan	-	-	(120.85)	(120.85)
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2018	903.76	(1,375.00)	(3,467.55)	(3,938.79)

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2018 : ₹ 5,162.17/- lakhs

**17 Provisions**

(₹ in Lakhs)

Particulars	Non-current			Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Provision for employee benefits						
Gratuity	33.87	25.89	21.88	1.19	1.19	0.60
Leave Encashment	-	-	-	14.81	12.79	11.76
<b>Total</b>	<b>33.87</b>	<b>25.89</b>	<b>21.88</b>	<b>16.00</b>	<b>13.98</b>	<b>12.36</b>

**18 Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Payables			
(a) Due to Micro, Small and Medium Enterprises under MSMED Act, 2006 (Refer note 32)	239.32	316.89	504.92
(b) Others	5,060.71	3,584.56	2,789.31
<b>Total</b>	<b>5,300.03</b>	<b>3,901.45</b>	<b>3,294.23</b>

Others includes Rs. 4,162.24/- to holding company (31 March 2017:Rs.8,522.94, 1st April 2016: Rs. 1,490.33/- lakhs)

**19 Other financial liabilities**

(₹ in Lakhs)

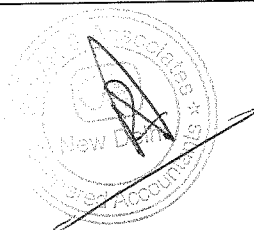
Particulars	Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Expenses Payable	61.31	47.32	28.52
Employee Benefits Payable	29.54	31.29	23.93
<b>Total</b>	<b>90.85</b>	<b>78.61</b>	<b>52.45</b>

**20 Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory dues payable	18.68	29.24	40.89
Advance from related party*	900.00	-	-
<b>Total</b>	<b>918.68</b>	<b>29.24</b>	<b>40.89</b>

\* includes Rs 900.00/- lakhs from holding company



## 21 Revenue From Operations

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Products Finished Goods	10,245.67	10,213.26
<b>Total</b>	<b>10,245.67</b>	<b>10,213.26</b>

According to the requirement of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the period ended June 30, 2017, and year ended March 31, 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18, the revenue for the year ended March 31, 2018 and March 31, 2017, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would have been as follows:-

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Net sales/Revenue from	10,066.08	9,331.30

## 22 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest income from financial assets at amortised cost	60.53	56.43
Dividend income	-	5.63
Others	-	27.21
Other non-operating income	0.37	0.25
<b>Total</b>	<b>60.90</b>	<b>89.52</b>

## 23 Particulars of Raw Materials Consumed

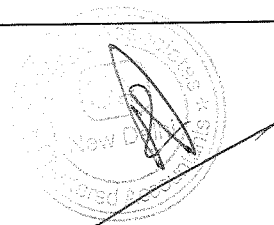
(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Electronic Components	4,513.26	3,645.64
Engineering Plastic	902.39	1,165.17
Packing	133.89	116.44
Others	2,358.32	1,928.36
<b>Total</b>	<b>7,907.86</b>	<b>6,855.61</b>

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Inventories (at close)		
Finished Goods	182.25	238.41
Work-in-Progress	863.71	425.24
	<b>1,045.96</b>	<b>663.65</b>
Inventories (at commencement)		
Finished Goods	238.41	246.03
Work-in-Progress	425.24	378.69
	<b>663.65</b>	<b>624.72</b>
<b>Total</b>	<b>(382.31)</b>	<b>(38.93)</b>



## 25 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries and wages	522.59	477.46
Contribution to provident and other funds	38.81	36.70
Staff welfare expenses	55.15	29.85
<b>Total</b>	<b>616.55</b>	<b>544.01</b>

## 26 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest expenses	301.82	376.10
Interest expense on financial liabilities measured at amortized cost	110.00	110.00
Other borrowing costs- Bank Charges	74.23	98.54
<b>Total</b>	<b>486.05</b>	<b>584.64</b>

## 27 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation on property, plant and equipment	142.00	109.61
Amortisation of intangible assets	-	14.87
<b>Total</b>	<b>142.00</b>	<b>124.48</b>

## 28 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Power and Fuel	75.51	68.95
Job Work Charges	170.21	174.43
Rent	18.09	2.92
Repairs & Maintenance (Others)	55.98	30.18
Repairs to Buildings	1.57	3.01
Repairs to Machinery	43.69	21.05
Testing Expenses	68.48	78.75
Rates and taxes excluding taxes on income	7.80	29.87
Legal & Professional Expenses	23.12	20.10
Travelling & Conveyance	19.21	26.08
Communication Expenses	2.40	2.99
Printing & Stationery	2.59	2.27
Insurance	13.79	7.99
Membership & Subscription	0.62	0.67
Commission on sales	10.56	3.66
Freight Outward	25.14	0.31
Loss on sale of Fixed Assets	1.29	-
Donation	0.03	0.03
Contribution towards corporate social responsibility	20.50	-
Auditor's Remuneration	1.10	0.81
Miscellaneous Expenses	1.95	2.01
<b>Total</b>	<b>563.63</b>	<b>476.08</b>

## 28a) Detail of payment to auditors

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Audit Fees	0.95	0.69
Tax Audit Fees	0.15	0.12



28b) 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. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care, providing relief to the poor and rural development projects. The Company has contributed a sum of Rs. 20.50 lakhs to a Trust named as Seth Inder Narain Foundation, for carrying out the activities which are specified in Schedule VII of the Companies Act, 2013.

Details of CSR Expenditure	Year ended 31st March 2018
a) Gross amount required to be spent by the Company during the year	25.95
b) Amount spent during year ended 31st March 2018	
Construction/acquisition of an asset	-
Contribution to other purpose other than above	20.50
<b>Total</b>	<b>20.50</b>

29 Income tax expense

(₹ in Lakhs)

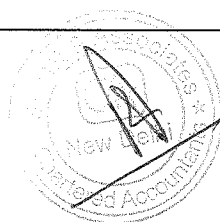
Particulars	Year ended 31st March 2018	Year ended 31st March 2017
<b>Current tax</b>		
Current tax on profits for the year	201.14	260.96
<b>Total current tax expense</b>	<b>201.14</b>	<b>260.96</b>
<b>Deferred tax</b>		
Deferred tax expense/(income) for the period	69.46	25.14
MAT credit entitlement	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>69.46</b>	<b>25.14</b>
<b>Income tax expense</b>	<b>270.60</b>	<b>286.10</b>

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March 2018	Year ended 31st March 2017
Profit before income tax expense	793.20	874.93
Tax at the Indian tax rate of 33.063% (31st March 2017 - 33.063%)	262.26	289.28
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Amortisation of intangibles		
Corporate social responsibility expenditure	6.78	-
Other items	1.56	(3.18)
<b>Income tax expense</b>	<b>270.60</b>	<b>286.10</b>

30 Earnings per share

(Amount in lakhs except EPS)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(i) Profit after tax	522.60	588.83
Balance available for equity shareholder's	522.60	588.83
(ii) Weighted average number of equity shares for basic EPS	154.40	141.90
(iii) Weighted average number of equity shares for dilutive EPS	154.40	141.90
(iv) Nominal value per Equity Shares	10.00	10.00
(v) Earning Per Share (Basic)	3.38	4.15
(vi) Earning Per Share (Dilutive)	3.38	4.15





## 33 Fair value measurements

(₹ in Lakhs)

## Financial instruments by category

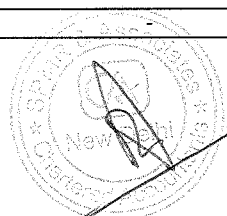
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	6,139.00	-	2,806.57	-	3,793.77
Loans	-	7.06	-	0.41	-	0.41
Cash and Bank Balances	-	32.53	-	25.26	-	30.59
Other bank balances	-	871.23	-	769.53	-	719.06
Other Financial Assets	-	377.19	-	494.45	-	427.93
<b>Total financial assets</b>	-	<b>7,427.01</b>	-	<b>4,096.22</b>	-	<b>4,971.76</b>
<b>Financial liabilities</b>						
Borrowings	-	4,842.55	-	4,611.70	-	4,644.84
Trade payables	-	5,300.03	-	3,901.45	-	3,294.23
Other Financial Liabilities	-	90.85	-	78.61	-	52.45
<b>Total financial liabilities</b>	-	<b>10,233.43</b>	-	<b>8,591.76</b>	-	<b>7,991.52</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

	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2018</b>				
<b>Financial assets</b>				
Trade receivables	-	-	6,139.00	6,139.00
Loans	-	-	7.06	7.06
Cash and Bank Balances	-	-	32.53	32.53
Other bank balances	-	-	871.23	871.23
Other Financial Assets	-	-	377.19	377.19
<b>Total financial assets</b>	-	-	<b>7,427.01</b>	<b>7,427.01</b>
<b>Financial liabilities</b>				
Borrowings	-	-	4,842.55	4,842.55
Trade payables	-	-	5,300.03	5,300.03
Other Financial Liabilities	-	-	90.85	90.85
<b>Total financial liabilities</b>	-	-	<b>10,233.43</b>	<b>10,233.43</b>
<b>As at March 31, 2017</b>				
<b>Financial assets</b>				
Trade receivables	-	-	2,806.57	2,806.57
Loans	-	-	0.41	0.41
Cash and Bank Balances	-	-	25.26	25.26
Other bank balances	-	-	769.53	769.53
Other Financial Assets	-	-	494.45	494.45
<b>Total financial assets</b>	-	-	<b>4,096.22</b>	<b>4,096.22</b>
<b>Financial liabilities</b>				
Borrowings	-	-	4,611.70	4,611.70
Trade payables	-	-	3,901.45	3,901.45
Other Financial Liabilities	-	-	78.61	78.61
<b>Total financial liabilities</b>	-	-	<b>8,591.76</b>	<b>8,591.76</b>



As at April 1, 2016

Financial assets					
Trade receivables	-	-	3,793.77	3,793.77	
Loans	-	-	0.41	0.41	
Cash and Bank Balances	-	-	30.59	30.59	
Other bank balances	-	-	719.06	719.06	
Other Financial Assets	-	-	427.93	427.93	
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>4,971.76</b>	<b>4,971.76</b>	
Financial liabilities					
Borrowings	-	-	4,644.84	4,644.84	
Trade payables	-	-	3,294.23	3,294.23	
Other Financial Liabilities	-	-	52.45	52.45	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,991.52</b>	<b>7,991.52</b>	

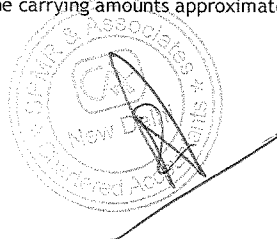
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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 are 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 2018, 31st March 2017 and 1st April 2016, 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.



**32 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, 2018:

Movement in expected credit loss allowance on trade receivable:

Particulars	₹ in Lakhs	
	31st March 2018	31st March, 2017
At the beginning of year	550.00	550.00
Provision during the year	-	-
Bad debts written off	-	-
<b>Total ECL</b>	<b>550.00</b>	<b>550.00</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:

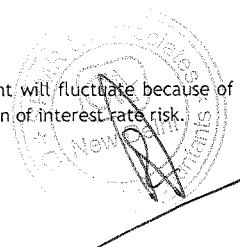
Contractual maturities of financial liabilities: (undiscounted)	₹ in Lakhs			Total
	Less than 1 year	1 to 5 years	More than 5 years	
<b>31st March 2018</b>				
Borrowings	3,467.55	-	-	3,467.55
Trade payables	5,300.03	-	-	5,300.03
Other financial liabilities	90.85	-	1,375.00	1,465.85
<b>Total</b>	<b>8,858.43</b>	<b>-</b>	<b>1,375.00</b>	<b>10,233.43</b>
<b>31st March 2017</b>				
Borrowings	3,346.70	-	-	3,346.70
Trade payables	3,901.45	-	-	3,901.45
Other financial liabilities	78.61	-	1,265.00	1,343.61
<b>Total</b>	<b>7,326.76</b>	<b>-</b>	<b>1,265.00</b>	<b>8,591.76</b>
<b>1st April 2016</b>				
Borrowings	3,489.84	-	-	3,489.84
Trade payables	3,294.23	-	-	3,294.23
Other financial liabilities	52.45	-	1,155.00	1,207.45
<b>Total</b>	<b>6,836.52</b>	<b>-</b>	<b>1,155.00</b>	<b>7,991.52</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 2018. 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 2018.

**(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 2018	31st March 2017
Interest rate (increase by 100 basis points)*	(48.43)	(46.12)
Interest rate (decrease by 100 basis points)*	48.43	46.12

\* 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 expressed in INR, are as follows

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
<b>Trade payables</b>						
United States Dollar (USD)	1.10	71.22	2.84	184.26	3.62	239.92
<b>Net exposure to foreign currency risk (li)</b>	<b>1.10</b>	<b>71.22</b>	<b>2.84</b>	<b>184.26</b>	<b>3.62</b>	<b>239.92</b>

### 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.

(₹ in Lakhs)

Particulars	Impact on profit after tax	
	31st March 2018	31st March 2017
USD sensitivity		
INR/USD - Increase by 1%*	(0.71)	(1.84)
INR/USD - Decrease by 1%*	0.71	1.84

\* Holding other variables constant

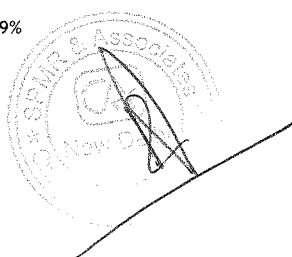
### 33 Capital management

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 2018, 31st March 2017 and as at 1st April 2016.

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)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Borrowings	4,842.55	4,611.70	4,644.84
Cash and Bank Balances	(903.76)	(794.80)	(749.65)
<b>Net debt</b>	<b>3,938.79</b>	<b>3,816.90</b>	<b>3,895.19</b>
<b>Equity</b>	<b>4,676.56</b>	<b>4,154.24</b>	<b>3,567.84</b>
<b>Net debt to equity ratio</b>	<b>84%</b>	<b>92%</b>	<b>109%</b>



HIMACHAL ENERGY PVT LTD

Notes forming part of the financial statements for the year ended 31st March 2018

34 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, The Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

34(a) Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider fair value of its property, plant and equipment and intangible assets as its deemed cost on the date of transition to Ind AS.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for 'impairment of financial assets based on expected credit loss model' in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

A.2.4 Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.



## 34(b) Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

## I) Reconciliation of balance sheet as at 31st March 2017 and 1st April 2016

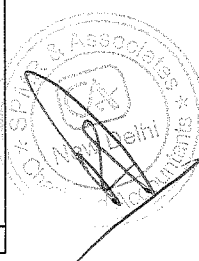
(₹ in Lakhs)

Particulars	Note	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Ind As adjustment	As per Ind AS	Previous GAAP	Ind As adjustment	As per Ind AS
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment	B	3,785.04	(1,037.68)	2,747.36	3,606.85	(1,165.00)	2,441.85
Intangible assets	B	8.69	(8.69)	-	14.87		14.87
Financial assets							
i. Loans		0.41		0.41	0.41		0.41
iii. Other financial assets				-			-
Deferred tax assets (Net)	E	(23.78)	2,000.04	1,976.25	(5.06)	2,005.16	2,000.10
Other non-current assets		100.00		100.00	100.00		100.00
<b>Total non-current assets</b>		<b>3,870.36</b>	<b>953.67</b>	<b>4,824.02</b>	<b>3,717.07</b>	<b>840.16</b>	<b>4,557.23</b>
<b>Current Assets</b>							
Inventories		3,337.94	-	3,337.94	1,549.00	-	1,549.00
Financial assets							
i. Trade receivables	D, C	3,434.54	(627.98)	2,806.57	4,400.22	(606.45)	3,793.77
ii. Cash and cash equivalents		25.26		25.26	30.59		30.59
iii. Bank balances other than (ii) above		769.53		769.53	719.06		719.06
iv. Other financial assets		494.45		494.45	427.93		427.93
Current tax assets (Net)		15.89		15.89	165.44		165.44
Other Current Assets	E	2,029.05	(1,487.60)	541.45	1,879.08	(1,487.60)	391.47
<b>Total current assets</b>		<b>10,106.66</b>	<b>(2,115.58)</b>	<b>7,991.09</b>	<b>9,171.32</b>	<b>(2,094.06)</b>	<b>7,077.26</b>
<b>Total assets</b>		<b>13,977.02</b>	<b>(1,161.91)</b>	<b>12,815.11</b>	<b>12,888.39</b>	<b>(1,253.90)</b>	<b>11,634.49</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital	A	2,644.00	(1,100.00)	1,544.00	1,144.00	(1,100.00)	44.00
Instruments entirely equity in nature					1,500.00		1,500.00
Other equity		3,937.15	(1,326.91)	2,610.24	3,332.74	(1,308.90)	2,023.84
<b>Total equity</b>		<b>6,581.15</b>	<b>(2,426.91)</b>	<b>4,154.24</b>	<b>5,976.74</b>	<b>(2,408.90)</b>	<b>3,567.84</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
i. Borrowings	A	-	1,265.00	1,265.00	-	1,155.00	1,155.00
Provisions		25.89		25.89	21.88		21.88
<b>Total non-current liabilities</b>		<b>25.89</b>	<b>1,265.00</b>	<b>1,290.89</b>	<b>21.88</b>	<b>1,155.00</b>	<b>1,176.88</b>
<b>Current Liabilities</b>							
Financial liabilities							
i. Borrowings		3,346.70		3,346.70	3,489.84		3,489.84
ii. Trade payables		3,901.45		3,901.45	3,294.23		3,294.23
iii. Other financial liabilities		78.61		78.61	52.45		52.45
Provisions		13.98		13.98	12.36		12.36
Other current liabilities		29.24		29.24	40.89		40.89
<b>Total current liabilities</b>		<b>7,369.98</b>	<b>-</b>	<b>7,369.98</b>	<b>6,889.77</b>	<b>-</b>	<b>6,889.77</b>
<b>Total equity and liabilities</b>		<b>13,977.02</b>	<b>(1,161.91)</b>	<b>12,815.11</b>	<b>12,888.39</b>	<b>(1,253.90)</b>	<b>11,634.49</b>

## II) Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017

(₹ in Lakhs)

Particulars	Note	Previous GAAP	Ind As adjustment	As per Ind AS
<b>Income:</b>				
Revenue from operations (Gross)	D	9,352.82	860.44	10,213.26
Other income		89.52		89.52
<b>Total income</b>		<b>9,442.34</b>	<b>860.44</b>	<b>10,302.78</b>
<b>Expenses:</b>				
Cost of materials consumed		6,855.61	-	6,855.61
Changes in inventories of finished goods, work-in-progress		(38.93)	-	(38.93)
Excise Duty		-	881.96	881.96
Purchase of Stock-in-Trade				-
Employee Benefits Expenses	F	547.73	(3.72)	544.01
Finance Cost	A	474.64	110.00	584.64
Depreciation and Amortization Expenses	B	243.11	(118.63)	124.48
Other Expenses		476.08		476.08
<b>Total expenses</b>		<b>8,558.24</b>	<b>869.61</b>	<b>9,427.85</b>



Profit before exceptional items and tax (III-IV)		884.10	(9.17)	874.93
Exceptional items		-	-	-
Profit before tax		884.10	(9.17)	874.93
Tax Expense:				
(1) Current tax	E	260.96	-	260.96
(2) Deferred tax	E	18.72	6.42	25.14
(3) Mat Credit entitlement				-
Profit for the year (VI-VII)		604.42	(15.59)	588.83
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefit obligations	F	-	(3.72)	(3.72)
Income tax relating to these items	E		1.29	1.29
Other comprehensive income for the year, net of tax		-	(2.43)	(2.43)
Total comprehensive income for the year		604.42	(18.02)	586.40

III) Reconciliation of equity as at 31st March 2017 and 1st April 2016 between previous GAAP and Ind AS:

(₹ in Lakhs)

Particulars	Notes to first time adoption	As at 31st March 2017	As at 1st April 2016
Total equity (shareholder's funds) as per previous GAAP		3,937.15	3,332.73
Adjustments			
Interest liability recognised on preference shares	A	(165.00)	(55.00)
Impact due to change in fair value of property, plant and equipment (net of depreciation)	B	(1,046.37)	(1,165.00)
Provision for expected credit losses on financial assets	C	(550.00)	(550.00)
Impact of change in timing of revenue recognition	D	(77.98)	(56.45)
Deferred tax impact	E	512.43	517.56
Total adjustments		(1,326.91)	(1,308.89)
Total equity as per Ind AS		2,610.24	2,023.84

IV) Reconciliation of total comprehensive income for the year ended 31st March 2017

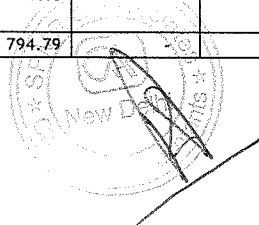
(₹ in Lakhs)

Particulars	Note	31st March 2017
Net profit under previous GAAP		604.42
Adjustments		
Depreciation impact due to change in fair value of property, plant and equipment	B	118.63
Actuarial (gain)/Loss on employee defined benefit funds recognised in OCI	F	3.72
Interest expense on preference shares recognised as liability	A	(110.00)
Impact of change in revenue recognition	D	(21.52)
Deferred tax expense of above adjustment	E	(6.42)
Net profit under Ind AS		588.83
Other comprehensive income (net of tax)	F	2.43
Total Comprehensive Income under Ind AS		586.40

V) Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March 2017

(₹ in Lakhs)

Particulars	Previous GAAP	Ind As adjustment	As per Ind AS
Net cash flow from operating activities	1,016.00	109.98	1,125.98
Net cash flow from investing activities	(353.06)	-	(353.06)
Net cash flow from financing activities	(617.80)	(109.98)	(727.78)
Net increase/(decrease) in cash and cash equivalents	45.14	-	45.14
Cash and cash equivalents as at 1 April 2016	749.65	-	749.65
Cash and cash equivalents as at 31 March 2017	794.79		794.79



34(c) Notes to first-time adoption:

**A Compulsorily redeemable preference shares**

The Company has issued 11,000,000 10% cumulative compulsorily redeemable preference (CCRP) shares of Rs. 10 each. These CCRP will be redeemed within 20 years from the date of issue. Under current Indian GAAP these CCRP have been classified under share capital.

Under Ind AS, considering CCPS are mandatorily redeemable and hence there is a contractual liability on part of the entity to settle obligation in cash and therefore CCPS is accounted for as financial liability. Further, the Company has also recognised accrual for interest on preference share.

**B Property, Plant and Equipment (PPE)**

The Company has elected the option of fair value as deemed cost for property, plant & equipment and intangible assets on the date of transition to Ind AS.

**C Expected credit loss- financial assets**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has made the provision for expected credit loss as required under Ind AS on the financial assets and trade receivables.

**D Revenue recognition**

During transition to Ind AS, the Company has reassessed its revenue recognition policies. Consequent to change in policies relating to timing of revenue recognition under Ind AS, retained earnings and profit for the year ended March 31, 2017 has been adjusted.

**E Deferred tax**

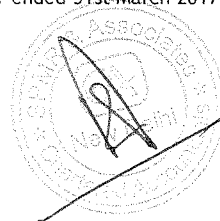
Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12-“ Income tax” requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Application of Ind AS has resulted in recognition of deferred tax on new temporary differences and on the adjustments arising due to adjustments made on transition.

**F Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**G Excise duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and Excise duty expenses for the year ended 31st March 2017. However, there is no impact on the total equity and profit.





HIMACHAL ENERGY PVT LTD

Notes forming part of the financial statements for the year ended 31st March 2018

35 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 2018 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 2018, ₹ 239.32/- (31st March 2017 ₹ 316.89/-, 1st April 2016 ₹ 504.92/- lakhs)
- 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 2018 - Nil, (31st March 2017 : Nil, 1st April 2016 : 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 2018 - Nil, (31st March 2017 : Nil, 1st April 2016 : Nil)
- Amount of interest accrued and remaining unpaid at the end of the year ended 31st March 2018 - Nil, (31st March 2017 : Nil, 1st April 2016 : Nil)

36 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 2018 are as under:

Particulars	(₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Employer's contribution to Provident Fund	28.68	27.42
Employer's contribution to ESI	10.13	9.28
<b>Total</b>	<b>38.81</b>	<b>36.70</b>

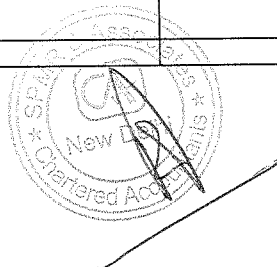
b) Defined Benefit Plans

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:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation - Gratuity (Non Funded)	(₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Defined Benefit obligation at beginning of year	27.08	22.48
Current Services Cost	6.58	5.61
Interest Cost	2.10	1.69
Actuarial (gain)/loss	0.43	3.72
Benefit paid	(1.13)	(6.42)
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	(0.06)	1.46
Actuarial changes arising from changes in experience adjustments	0.49	2.26
<b>Defined Benefit obligation at the year end</b>	<b>35.06</b>	<b>27.08</b>

Net defined benefit asset/ (liability) recognised in the balance sheet	As at 31st March 2018	As at 31st March 2017
Present value of defined benefit obligation	35.06	27.08
<b>Amount recognised in Balance Sheet- Asset / (Liability)</b>	<b>35.06</b>	<b>27.08</b>

ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)	Year ended 31st March 2018	Year ended 31st March 2017
Current Service Cost	6.58	5.61
Interest Cost	2.10	1.69
<b>Recognised in the Statement of profit and loss for the year</b>	<b>8.68</b>	<b>7.30</b>



iii) Remeasurement of (Gain)/loss recognised in other comprehensive income	Year ended 31st March 2018	Year ended 31st March 2017
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(0.06)	1.46
Actuarial changes arising from changes in experience adjustments	0.49	2.26
Recognised in other comprehensive income	0.43	3.72

Chief Financial  
Officer

iv) Actuarial Assumption	Year ended 31st March 2018	Year ended 31st March 2017
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 -5% p.a.	2% p.a.

v) Quantitative sensitivity analysis for significant assumptions is as below:	Year ended 31st March 2018	Year ended 31st March 2017
Increase / (decrease) on present value of defined benefits obligations at the end of the year:		
<b>Discount Rate</b>		
Increase by 1%	31.41	23.70
Decrease by 1%	39.47	31.26
<b>Salary Increase</b>		
Increase by 1%	39.55	31.32
Decrease by 1%	31.29	23.59
<b>Attrition Rate</b>		
Increase by 1%	36.07	28.04
Decrease by 1%	33.85	25.91

vi) Maturity profile of defined benefit obligation (undiscounted)	Year ended 31st March 2018	Year ended 31st March 2017
Within the next 12 months (next annual reporting period)	2.53	1.20
Between 2 and 5 years	8.42	5.34
Between 5 and 10 years	39.99	33.54
<b>Total expected payments</b>	<b>50.94</b>	<b>40.08</b>

vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 20 years (31st March 2017: 21 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.

### 37 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 :-

a) 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.



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

c) 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".

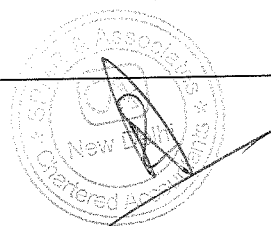
d) There is no transfer of products between operating segments

e) There are no customers having revenue exceeding 10% of total revenues.

(₹ in Lakhs)

Summary of segment information:

	As at 31st March 2018	As at 31st March 2017	
<b>Revenue</b>			
Segment Revenue (Gross)	10,168.11	10,120.49	
Metering	77.56	92.77	
Projects	10,245.67	10,213.26	
<b>Result</b>			
Segment Result	1,276.88	1,463.43	
Metering	30.49	19.77	
Projects	1,307.37	1,483.20	
Unallocable expenses	28.12	23.63	
Operating Profit	1,279.25	1,459.57	
Interest Expenses	486.05	584.64	
Profit Before Tax	793.20	874.93	
Tax expenses	270.60	286.10	
Profit After Tax	522.60	588.83	
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Other Information</b>			
Segment Assets	12,657.68	10,107.81	8,282.21
Metering	406.76	541.82	1,181.68
Projects	2,814.11	2,165.48	2,170.60
Unallocable	15,878.54	12,815.11	11,634.49
Segment Liabilities	7,633.80	5,220.35	4,469.09
Metering	100.63	93.81	107.73
Projects	3,467.55	3,346.71	3,489.83
Others	11,201.98	8,660.87	8,066.65
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2017
<b>Capital Expenditure</b>			
Metering	771.16	415.12	
Projects	-	-	
	771.16	415.12	
<b>Depreciation</b>			
Metering	142.00	124.48	
Projects	-	-	
	142.00	124.48	
<b>Segment Revenue</b>			
The following is the distribution of company's revenue by geographical market			
Domestic Market	10,245.67	10,213.26	
Overseas Market	-	-	
	10,245.67	10,213.26	



### 38 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     | 2. HPL India Ltd                  |
| 3. LK HPL Pvt Ltd              | 4. HPL Power Corporation Ltd      |
| 5. Havells Electronics Pvt Ltd | 6. Amerex India Pvt Ltd           |
| 7. Jesons Impex Pvt Ltd        | 8. Amerex Pvt Ltd                 |
| 9. Havells Pvt Ltd             | 10. HPL Project Portfolio Pvt Ltd |

**C) Key Management Personnel:**

- |                     |                   |
|---------------------|-------------------|
| 1. Shri Lalit Seth  | 2. Sh. Rishi Seth |
| 3. Shri Gautam Seth |                   |

**D) Relatives of Key Management Personnel**

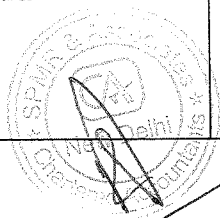
- |                      |                   |
|----------------------|-------------------|
| 1. Mrs. Praveen Seth | 2. Mrs Pooja Seth |
| 3. Mrs Vani Seth     |                   |

b) Summary of transactions during the year

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2018	Year ended 31st March 2017
<b><u>Purchase of goods</u></b>		
1. HPL Electric & Power Ltd	5,032.24	3,298.84
<b><u>Sale of goods</u></b>		
1. HPL Electric & Power Ltd	19.16	178.11
2. Havells Private Ltd	-	376.41
<b><u>Sale of assets</u></b>		
1. HPL Electric & Power Ltd	1,395.08	-
<b><u>CSR Contribution</u></b>		
Enterprises in which directors are interested		
1. Seth Inder Narain Trust	20.50	-
<b><u>Remuneration to relatives of key management personnels</u></b>		
1. Praveen seth	66.05	63.43
2. Pooja Seth	7.30	7.03
3. Vani Seth	7.30	7.03

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

Particulars	(₹ in Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Trade payables</b>			
1. HPL Electric and Power Ltd	4,162.25	852.95	1,490.33
<b>Trade Receivable</b>			
1. Havell's Private Ltd	201.28	201.28	-
2. HPL Project Portfolio Private Limited	11.34	11.34	11.34
<b>Advance from supplier</b>			
1. HPL Electric and Power Ltd	900.00	-	-
<b>Financial liability</b>			
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares			
Mr Lalit Seth	481.25	442.75	404.25
Mr Praveen Seth	343.75	316.25	288.75
Mr Rishi Seth	275.00	253.00	231.00
Mr Gautam Seth	275.00	253.00	231.00



d) Key management personnel compensation  
No compensation have been paid to Key managerial persons

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.

#### 39 Assets taken under Lease

##### Operating 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.

#### 40 Capital Commitment

Particulars	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance )	Nil	Nil

#### 41 Contingent Liabilities

- Income Tax demand raised for the A.Y. 2009-10 amounting to ₹ 2.07/-lakhs (P.Y. ₹ 2.07/-lakhs) pending before Income Tax Assessing Officer.
- Income Tax demand raised for the A.Y. 2011-12 amounting to ₹ 23.21/-lakhs (P.Y. ₹ 23.21/-lakhs) pending before Income Tax Assessing Officer.
- Income Tax demand raised for the A.Y. 2016-17 amounting to ₹ 4.37/-lakhs (P.Y. Rs 4.37/- lakhs) pending before CPC.
- PF demand raised for the period July 2011 to January 2016 amounting to ₹ 3.02/- lakhs (P.Y. ₹ 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.

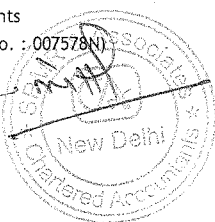
*The accompanying notes are an integral part of financial statements*

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

For SPMR & Associates  
Chartered Accountants  
(Firm Registration No. : 007578N)

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

Place : New Delhi  
Date : 21.05.2018



For and on behalf of Board

Lalit Seth  
Director  
DIN: 00312007

Sudershan Dev Pradeep  
Company Secretary  
M.NO-A6630

Rishi Seth  
Director  
DIN-00203469

Neeraj Kumar  
Chief Financial Officer  
M.NO-508653