

# SPMR & ASSOCIATES

Chartered Accountants

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

**HIMACHAL ENERGY PRIVATE LIMITED**  
Annual Report 2016-17

## Independent Auditor's Report

**To the Members of**  
**HIMACHAL ENERGY PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statement of **HIMACHAL ENERGY PRIVATE LIMITED** ('the Company') which comprise the balance sheet as at march 31, 2017, statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

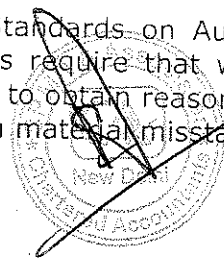
The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in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

### **Auditor's Responsibility**

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

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

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



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

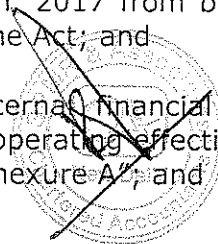
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its Profit for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of section 164(2) of the Act; and
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and



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- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial statements.
  - ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
  - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided disclosures in its financial statements as to holding as well as dealing in specified bank notes during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and the same are in accordance with the books of accounts maintained by the company. Refer note no. 40 in the notes to financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we given in 'Annexure B' a statement on the matters specified on paragraph 3 and 4 of the Order.

**For SPMR & ASSOCIATES**

Chartered Accountants

(FRN 007578N)

(Ajay Kumar Mittal)

(Partner)

M. No. : 095273

Place: New Delhi

Date: 22 MAY 2017

# SPMR & ASSOCIATES

## Chartered Accountants

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

### Independent Auditor's Report

To the Members of  
**Himachal Energy Private Limited.**  
**Annual Report 2016-17**

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

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

We have audited the internal financial controls over financial reporting of **Himachal Energy Private Limited.** ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statement of the company for the year then ended and as on that date.

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

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

#### **Auditor's Responsibility**

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

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



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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For SPMR & ASSOCIATES

Chartered Accountants

(FRN 007578N)

(Ajay Kumar Mittal)

(Partner)

M. No. : 095273

Place: New Delhi

Date: 22 MAY 2017

# SPMR & ASSOCIATES

## Chartered Accountants

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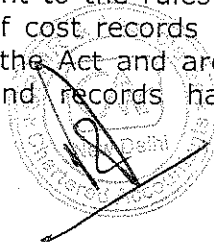
HIMACHAL ENERGY PRIVATE LIMITED.

*Annual Report 2016-17*

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

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

- (1) In respect of the Company's fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets are physically verified by the Management in according with a regular programme of verification which, on our opinion, provides physically verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (2) As explained to us, the inventories were physical verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (3) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (5) The company has not accepted any deposits during the year and does not have any unclaimed deposits as at march 31, 2017 and therefore, the provision of the clause 3(v) of the Order are not applicable to the Company.
- (6) We have broadly reviewed the books of accounts maintained by the company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records have been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained.



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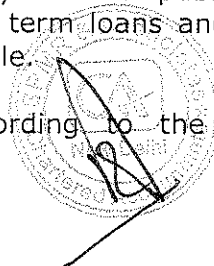
## Chartered Accountants

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- (7) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, employees' State insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2017 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 and PF authorities as at 31<sup>st</sup> March 2017 which have not been deposited on account of dispute, are given below:

Name of the statute	Nature of dues	Financial year to which the matter pertains	Forum where the Dispute is pending	Amount (Rs. in lakh)
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 of borrowing to banks. The Company does not have any loans borrowing from financial institutions of government and has not issued any debentures.
- (9) The Companies has not raised money by way of initial public offer or further public offer (including debts instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (10) To the best of our knowledge and according to the information and



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explanations to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

- (11) In our opinion and according to the information and explanations given to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture and hence reporting under clause 3(XIV) of the Order is not applicable to the Company.
- (15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the act are not applicable.
- (16) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

  
(Ajay Kumar Mittal)  
(Partner)

M. No. : 095273

Place: *New Delhi*

Date: 22 MAY 2017



HIMACHAL ENERGY PVT LTD

Balance Sheet As At 31st March, 2017


(Amount in ₹)

Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2	264,400,000	114,400,000
(b) Reserves & Surplus	3	393,715,406	333,273,111
(c) Securities convertible in to Equity share		-	150,000,000
		658,115,406	597,673,111
<b>Non-Current Liabilities</b>			
(a) Deferred Tax Liability (Net)	4	2,378,336	506,236
(b) Long Term Provisions	5	2,589,309	2,188,085
		4,967,645	2,694,321
<b>Current Liabilities</b>			
(a) Short Term Borrowings	6	334,669,552	348,983,560
(b) Trade Payables	7	390,145,197	329,423,303
(c) Other Current Liabilities	8	10,784,607	9,333,586
(d) Short Term Provisions	5	1,397,564	1,236,693
		736,996,920	688,977,141
		1,400,079,971	1,289,344,573
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		378,504,082	360,684,852
(ii) Intangible Assets		869,275	1,487,064
(b) Long Term Loans and Advances	10	10,041,361	10,041,361
		389,414,718	372,213,277
<b>Current Assets</b>			
(a) Inventories	11	333,793,786	154,899,697
(b) Trade Receivables	12	343,454,207	440,022,471
(c) Cash and Bank Balances	13	79,479,526	74,965,072
(d) Short Term Loans & Advances	10	253,937,734	247,244,056
		1,010,665,253	917,131,296
		1,400,079,971	1,289,344,573


Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 41)

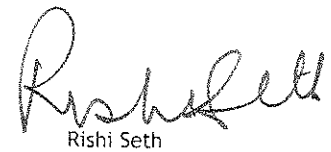
AS PER OUR REPORT OF EVEN DATE APPENDED TO THE BALANCE SHEET


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

  
(Ajay Kumar Mittal)  
(Partner)  
(M. No. 095273)  
Place : New Delhi  
Date : 22 MAY 2017

For and on behalf of Board

  
Lalit Seth  
Director  
DIN-00312007

  
Rishi Seth  
Director  
DIN-00203469

  
Sudershan Dev Pradeep  
Company Secretary

## Statement of Profit and Loss for the Period Ended 31st March, 2017

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I. Revenue from operations(Gross)	14	1,023,478,689	1,058,776,173
Less: Excise Duty		88,196,355	-
Revenue from operations (Net)		935,282,334	1,058,776,173
II. Other income	15	8,951,145	5,397,611
III. Total Revenue (I + II)		944,233,479	1,064,173,784
IV. Expenses:			
Cost of materials consumed	16	626,840,508	675,850,920
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	54,826,902	51,938,022
Employee Benefits Expenses	18	54,772,384	47,855,497
Finance Cost	19	47,464,512	58,379,810
Depreciation and Amortization Expenses	9	24,310,863	22,161,112
Other Expenses	20	47,608,087	49,947,264
Total expenses		855,823,255	906,132,625
V. Profit before tax (III-IV)		88,410,224	158,041,159
VI. Tax Expense:			
(1) Current tax		26,095,829	34,500,000
(2) Deferred tax		1,872,100	506,236
(3) Mat Credit		-	2,898,860
VII. Profit for the year (V-VI)		60,442,295	120,136,063
VIII. Earnings per equity share of ₹ 10/- each:	21		
(1) Basic		3.48	10.22
(2) Diluted		3.48	7.42

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 41)

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

For SPMR &amp; Associates

Chartered Accountants

(Firm Registration No: 007578N)

(Ajay Kumar Mittal)

(Partner)

(M. No. 095273)

FRN : 007578N

Place : New Delhi

Date : 22 MAY 2017

For and on behalf of Board



Lalit Seth


Director

DIN-00312007

Rishi Seth

Director

DIN-00203469


 Sudershan Dev Pradeep

Company Secretary

HIMACHAL ENERGY PVT LTD

Cash Flow Statement For The Year Ended 31st March, 2017

(Amount in ₹)

	Year Ended 31st March, 2017	Year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax	88,410,224	158,041,159
Adjustments for :		
- Depreciation and amortisation Expenses	24,310,863	22,161,112
- Finance Expenses	47,464,512	58,379,810
- Interest Income	(5,643,005)	(5,115,456)
- Dividend Received	(562,500)	(225,000)
<b>Operating profit before working capital changes</b>	<b>153,980,094</b>	<b>233,241,625</b>
Adjustments for :		
Decrease/(Increase) in Trade receivables	96,568,264	16,496,000
Decrease/(Increase) in Security deposit	-	1,887,590
Decrease/(Increase) in Short Term Advances	(21,648,570)	(17,837,637)
Decrease/(Increase) in Inventories	(178,894,089)	45,281,566
Increase / (Decrease) in Short Term Provision	160,871	(523,998)
Increase / (Decrease) in Long Term Provision	401,224	466,161
Increase / (Decrease) in Other Current Liabilities	1,451,021	(1,687,072)
Increase / (Decrease) in Trade Payables	60,721,894	33,489,745
<b>Cash Generated from operations</b>	<b>112,740,709</b>	<b>310,813,980</b>
- Taxes Paid (Net of Refunds)	(11,140,936)	(32,295,108)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>101,599,773</b>	<b>278,518,872</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(41,512,304)	(5,933,349)
- Sale of Investments (Net)	-	315,124,000
- Dividend Received	562,500	225,000
- Interest Income Received	5,643,005	5,115,456
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(35,306,799)</b>	<b>314,531,107</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds from Working Capital Loan (Net)	(14,314,008)	2,007,963
- Finance Expenses	(47,464,512)	(58,379,810)
- Proceeds from issue of Debentures	-	150,000,000
- Impact of scheme of Arrangement	-	(634,657,368)
- Dividends Paid on equity shares	-	(33,000,000)
- Tax on Dividends Paid on equity shares	-	(6,718,025)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(61,778,520)</b>	<b>(580,747,240)</b>
Net changes in cash & cash equivalents (A+B+C)	4,514,454	12,302,739
Cash & Cash equivalents - Opening balance	74,965,072	62,662,334
Cash & Cash equivalents - Closing Balance	79,479,526	74,965,072

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 41)

As per our report of even date attached  
For SPMR & Associates  
Chartered Accountants  
(Firm Registration No. : 007978N)

(Ajay Kumar Mittal)  
(Partner)

(M. No. 095273)

PLACE : NEW DELHI

DATED : 22 MAY 2017

For and on behalf of Board

*Latit Seth* *Rishi Seth*

Latit Seth

Rishi Seth

Director

Director

DIN-00312007

DIN-00203469

*Sudershan Dev Pradeep*  
Sudershan Dev Pradeep  
Company Secretary

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

(Annexed to and forming part of the Financial Statements for the period ended 31<sup>st</sup> March, 2017)

**COMPANY OVERVIEW**

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

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

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

**B) Use of Estimates**

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

**C) Fixed Assets**

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

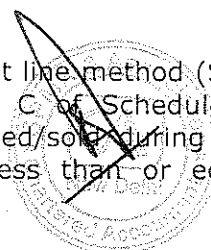
Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.

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

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

**D) Method of Depreciation and Amortization**

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



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

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

**E) Impairment**

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

**F) Inventories**

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

**G) Revenue Recognition**

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

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

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

**H) Revenue from Fixed Price Contractual Projects**

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

**I) Research & Development**

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

**J) Retirement Benefits**

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

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

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

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

Termination benefits are recognized as an expense immediately.

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

**K) Investments**

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

**L) Borrowing Cost**

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

**M) Cash Flow**

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

**N) Taxation**

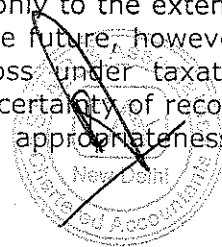
Income tax expense comprises current tax and deferred tax charge or credit.

**Current Taxes**

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

**Deferred Taxes**

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



**O) Lease****Financial lease**

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

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

**Operating lease**

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

**P) Foreign Currency Translation**

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

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

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

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

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

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

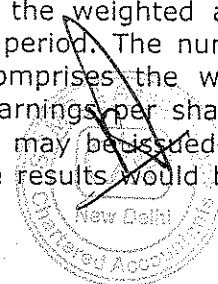
To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end.

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

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

**Q) Earnings Per Share**

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



**R) Provisions and Contingencies**

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

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

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

**S) Government Grant**

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

**T) Segment Reporting**

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

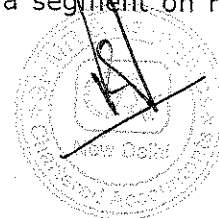
**1. Identification of Segments:****Primary- Business Segment**

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

**Secondary- Geographical Segment**

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

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





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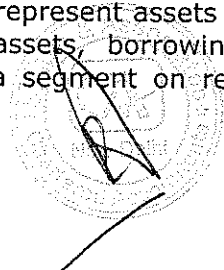
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The analysis of geographical segment is based on geographical location of the Customers.

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

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text and a central emblem. The signature is written in a cursive style.

## Notes to Accounts forming part of the Financial Statements as on 31st March, 2017

2

## Share Capital

Particulars	As At 31st March, 2017		As At 31st March, 2016	
	₹		₹	
a (a) Authorised				
15,500,000 Equity Shares of ₹ 10/- each		155,000,000		220,000,000
(Previous year 22,000,000 Equity Shares of ₹ 10/- each)				
11,000,000, 10% Cumulative Compulsorily Redeemable Preference Shares		110,000,000		-
		265,000,000		220,000,000
b (b) Issued, Subscribed & Paid Up				
15,440,000 Equity shares of Rs. 10/- each Fully paidup		154,400,000		4,400,000
(Previous year 440,000 Equity Shares of ₹ 10/- each fully paid up)				
c 11,000,000, 10% Cumulative Compulsorily Redeemable Preference Shares		110,000,000		110,000,000
(Previous year 11,000,000 preference shares of Rs. 10/- each )				
Total		264,400,000		114,400,000

\*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.

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

Particulars	As At 31st March, 2017				As At 31st March, 2016			
	Equity Shares		Preference Shares		Equity Shares		Preference Shares	
	No.	₹	No.	₹	No.	₹	No.	₹
Shares outstanding at the beginning of the year	440,000	4,400,000	11,000,000	110,000,000	22,000,000	220,000,000	-	-
Shares cancelled during the year pursuant to Scheme of Arrangement	-	-	-	-	22,000,000	220,000,000	-	-
Shares issued pursuant to Scheme of Arrangement	-	-	-	-	440,000	4,400,000	11,000,000	110,000,000
Debenture converted into Equity share *	15,000,000	150,000,000	-	-	-	-	-	-
Shares outstanding at the end of the period	15,440,000	154,400,000	11,000,000	110,000,000	440,000	4,400,000	11,000,000	110,000,000

\*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, 2017		As At 31st March, 2016	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	154,000	1.00	153,980	35
Ms. Praveen Seth	110,000	0.71	110,000	25
Mr. Rishi Seth	87,980	0.57	88,000	20
Mr. Gautam Seth	87,980	0.57	88,000	20
HPL Electric and Power Ltd.	15,000,000	97.15	-	0

## (e) Preference Shareholders holding in the company :-

Name of Shareholder	As At 31st March, 2017		As At 31st March, 2016	
	No. of Preference Shares held	% of Holding	No. of Preference Shares held	% of Holding
Mr. Lalit Seth	3,850,000	35	3,849,500	35
Ms. Praveen Seth	2,750,000	25	2,750,000	25
Mr. Rishi Seth	2,200,000	20	2,200,000	20
Mr. Gautam Seth	2,200,000	20	2,200,000	20

## Notes to Accounts forming part of the Financial Statements As At 31st March, 2017

## 3 Reserves and Surplus

(a) General Reserve	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Opening Balance	121,700,000	121,700,000
(-) Transfer	-	-
Closing Balance	121,700,000	121,700,000
(b) Surplus	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Opening balance	211,573,111	620,494,416
(+) Net Profit/(Loss) For the current year	60,442,295	120,136,063
(-) Impact of Arrangement Scheme	-	529,057,368
Closing Balance	272,015,406	211,573,111
<b>Total Reserves &amp; Surplus (a+b)</b>	<b>393,715,406</b>	<b>333,273,111</b>

## 4 Deferred Tax Liability

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Deferred Tax Liability:		
Opening Balance	506,236	-
Addition:- Deferred Tax Liability / (Assets)	1,872,100	506,236
<b>Net Deferred tax liability</b>	<b>2,378,336</b>	<b>506,236</b>

## 5 Provisions

Particulars	Long-term		Short-term	
	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2017	As At 31st March, 2016
	₹	₹	₹	₹
(a) Provision for employee benefits				
Gratuity	2,589,309	2,188,085	118,955	60,353
Leave Encashment	-	-	1,278,609	1,176,340
<b>Total</b>	<b>2,589,309</b>	<b>2,188,085</b>	<b>1,397,564</b>	<b>1,236,693</b>

## Short Term Borrowings

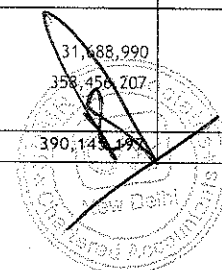
Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Loans repayable on demand		
- From Banks	334,669,552	348,983,560
<b>Total</b>	<b>334,669,552</b>	<b>348,983,560</b>

\* 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.

## 7 Trade Payables

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
<b>Trade Payables</b>		
Due to Micro, Small and Medium Enterprises under MSMED Act, 2006	31,688,990	50,492,016
For Others	358,456,207	278,931,287
<b>Total</b>	<b>390,145,197</b>	<b>329,423,303</b>

\* Refer notes No. 25



8 Other Current Liabilities

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Expenses Payable	4,731,653	2,851,588
T.D.S. & Service Tax Payable	466,442	1,012,750
Sales Tax Payable	1,805,650	2,489,958
Contribution to PF & ESI	651,938	586,385
Salary Payable	3,128,923	2,392,904
<b>Total</b>	<b>10,784,607</b>	<b>9,333,585</b>

10 Loans and advances

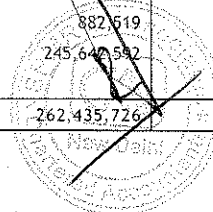
Particulars	Non-current		Current	
	As At 31st March, 2017	As At 31st March, 2016	As At 31st March, 2017	As At 31st March, 2016
	₹	₹	₹	₹
<b>Long Term Loans and Advances</b>				
<u>Capital Advances</u>				
Unsecured, considered good	10,000,000	10,000,000	-	-
<u>Security Deposits</u>				
Unsecured, considered good	41,361	41,361	-	-
<u>Other loans and advances</u>				
Unsecured, considered good				
Advance Income Tax (net of Provision for Taxation)	-	-	1,588,895	16,543,787
Prepaid Expenses	-	-	584,246	1,214,237
Insurance recoverable	-	-	9,568,456	9,690,606
Balance with Sale Tax	-	-	408,938	385,313
Service Tax Recoverable	-	-	36,845,014	17,129,956
WCT Recoverable	-	-	5,611,218	5,611,218
Earnest Money Deposit	-	-	39,876,601	33,102,146
Mat Credit Entitlement	-	-	148,760,418	148,760,418
Other Advances	-	-	10,693,948	14,806,376
<b>Total</b>	<b>10,041,361</b>	<b>10,041,361</b>	<b>253,937,734</b>	<b>247,244,056</b>

11 Inventories

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
a. Raw Materials and components		
(i) In Hand	262,435,726	21,480,306
(ii) Material-in-transit	4,194,322	11,311,020
b. Work-in-progress	42,524,197	96,588,843
c. Finished goods	23,840,535	24,602,791
d. Stores and spares	799,006	916,738
<b>Total</b>	<b>333,793,786</b>	<b>154,899,697</b>

11 (a) Particulars of Raw Materials Stock

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Electronic Components	13,045,098	27,983,241
Engineering Plastic	2,865,517	13,105,104
Packing	882,519	1,693,554
Others	245,640,592	37,418,557
<b>Total</b>	<b>262,435,726</b>	<b>80,200,456</b>



S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		AS AT 1-Apr-16	ADDITIONS	ADJUST	AS AT 31-Mar-17	AS AT 1-Apr-16	FOR THE PERIOD	ADJUST	TOTAL 31.03.2017	AS ON 31-Mar-17	AS ON 31-Mar-16
A	TANGIBLE										
1	Land and Site Development	47,616,228			47,616,228	-	-	-	-	47,616,228	47,616,228
2	Building	139,537,900			139,537,900	30,722,448	5,008,772	-	35,731,220	103,806,680	108,815,452
3	Plant & Machinery	280,655,468	41,381,873		322,037,341	79,431,192	17,899,644		97,330,836	224,706,505	201,224,276
4	Office Equipment	75,802	16,574		92,376	12,966	7,120		20,086	72,290	62,836
5	Furniture & Fittings	5,553,242	28,282		5,581,524	3,716,917	426,903		4,143,820	1,437,704	1,836,325
6	Vehicles	1,166,506			1,166,506	902,733	205,448		1,108,181	58,325	263,773
7	Computers	4,875,733	85,575		4,961,308	4,009,771	145,187		4,154,958	806,350	865,962
	Total (A)	479,480,879	41,512,304	-	520,993,183	118,796,027	23,693,074	-	142,489,101	378,504,082	360,684,852
B											
1	Software	3,756,910			3,756,910	2,269,846	617,789		2,887,635	869,275	1,487,064
	Total (B)	3,756,910	-		3,756,910	2,269,846	617,789		2,887,635	869,275	1,487,064
	Total (A+B)	483,237,789	41,512,304	-	524,750,093	121,065,873	24,310,863	-	145,376,736	379,373,357	362,171,916
	Previous Year	418,584,290	5,933,349	14,776,067	439,293,706	98,904,761	22,161,112	-	121,065,873	318,227,833	319,679,529

\* In accordance with the revised accounting standard AS 10, "Property, Plant and Equipment" the Company has reclassified from inventory to "Property, Plant and Equipment" items of spare parts used for servicing of goods, amounting to 58,720,150/-. The reclassified spare parts are expected to be used for more than 12 months period and accordingly previous years figures have been regrouped/rearranged (Please refer Note No.37)



12 Trade Receivables

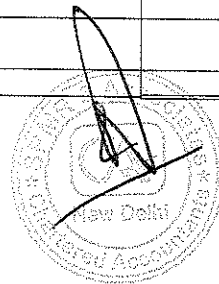
Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
Trade receivables (Unsecured) consist of the following:		
(a) Over six months from the date they were due for payment		
(i) Considered Good	343,454,207	440,022,471
(ii) Considered Doubtful	-	-
(b) Others		
(i) Considered good	343,454,207	440,022,471
Less: Provision for doubtful receivables	-	-
Unsecured, considered good	-	-
<b>Total</b>	<b>343,454,207</b>	<b>440,022,471</b>

13 Cash and Bank Balances

Particulars	As At 31st March, 2017	As At 31st March, 2016
	₹	₹
<u>Cash and Cash equivalents</u>		
Balances with banks:		
In current Accounts	443,255	419,036
Cash on hand	2,083,166	2,639,724
	<b>2,526,421</b>	<b>3,058,760</b>
<u>Other Bank Balances</u>		
Balances with Banks held as Margin Money	76,953,105	71,906,312
	<b>76,953,105</b>	<b>71,906,312</b>
<b>Total</b>	<b>79,479,526</b>	<b>74,965,072</b>

14 Revenue From Operations

Particulars	Year Ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹
Sale of products	1,023,478,689	1,058,776,173
Less: Excise duty	88,196,355	-
<b>Total</b>	<b>935,282,334</b>	<b>1,058,776,173</b>



## 15 Other Income

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
Interest on FDR [TDS ₹567,070/- (P.Y. ₹ 487,400/-)]	5,643,005	4,546,333
Other Interest	2,720,640	569,123
Dividend	562,500	225,000
Other non-operating income (net of expenses directly attributable to such income)	25,000	57,155
<b>Total</b>	<b>8,951,145</b>	<b>5,397,611</b>

## 16 Consumption of Raw Materials &amp; Components

Particulars	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
	₹	%	₹	%
<b>i) Raw Materials consumption</b>				
Indigenous	500,574,936	79.86	577,414,732	85.44
Imported	126,265,572	20.14	98,436,189	14.56
<b>Total</b>	<b>626,840,508</b>	<b>100.00</b>	<b>675,850,920</b>	<b>100.00</b>

## 16(a) Particulars of Raw Materials Consumed

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
Electronic Components	364,563,591	294,173,183
Engineering Plastic	116,517,452	183,167,871
Packing	11,643,908	8,595,065
Others	134,115,557	189,914,801
<b>Total</b>	<b>626,840,508</b>	<b>675,850,920</b>

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

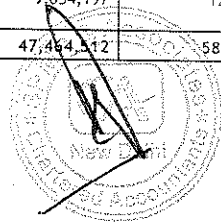
Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
<b>Inventories (at close)</b>		
Finished Goods	23,840,535	24,602,791
Work-in-Progress	42,524,197	96,588,843
	<b>66,364,732</b>	<b>121,191,634</b>
<b>Inventories (at commencement)</b>		
Finished Goods	24,602,791	38,657,138
Work-in-Progress	96,588,843	134,472,518
	<b>121,191,634</b>	<b>173,129,656</b>
<b>Total</b>	<b>54,826,902</b>	<b>51,938,022</b>

## 18 Employee Benefits Expenses

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
(i) Salaries and wages	48,117,890	42,111,643
(ii) Contribution to provident and other funds	3,669,787	2,940,881
(iii) Staff welfare expenses	2,984,707	2,802,973
<b>Total</b>	<b>54,772,384</b>	<b>47,855,497</b>

## 19 Finance Cost

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
Interest Expenses	37,610,315	45,400,824
Other borrowing costs- Bank Charges	9,854,197	12,978,986
<b>Total</b>	<b>47,464,512</b>	<b>58,379,810</b>



## 20 Other Expenses

Particulars	Year Ended 31st	Year Ended 31st
	March, 2017	March, 2016
	₹	₹
Power and Fuel	6,895,427	7,108,423
Job Work Charges	17,443,076	17,330,018
Rent	292,188	307,800
Repairs to Buildings	301,291	307,382
Repairs to Machinery	2,104,813	3,040,877
Testing Expenses	7,874,718	5,557,191
Rates and taxes excluding taxes on income	2,986,816	2,670,875
Legal & Professional Expenses	2,010,496	4,241,697
Travelling & Conveyance	2,608,028	2,600,682
Communication Expenses	298,571	346,662
Printing & Stationery	227,340	263,442
Repairs & Maintenance (Others)	3,017,813	2,713,422
Insurance	799,102	963,003
Membership & Subscription	67,176	9,971
Selling & Distribution Expenses	396,269	1,960,535
Donation	3,100	5,100
Auditor's Remuneration	80,500	80,500
Miscellaneous Expenses	201,361	439,684
<b>Total</b>	<b>47,608,087</b>	<b>49,947,264</b>

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

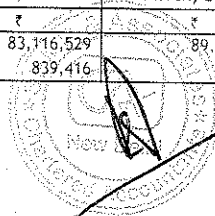
Particulars	Year Ended 31st	Year Ended 31st
	March, 2017	March, 2016
	₹	₹
(i) Profit after tax	60,442,295	120,136,063
Less:- Dividend on 10% CCR Preference share	11,000,000	5,500,000
Balance available for equity shareholder's	49,442,295	114,636,063
(ii) Weighted average number of equity shares for basic EPS	14,190,000	11,220,000
(iii) Weighted average number of equity shares for dilutive EPS	14,190,000	15,440,000
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	3.48	10.22
(vi) Earning Per Share (Dilutive)	3.48	7.42

## Payment to auditor as

Particulars	Year Ended 31st	Year Ended 31st
	March, 2017	March, 2016
	₹	₹
(a) Auditor		
Audit Fees	69,000	69,000
Tax Audit Fees	11,500	11,500

## 23 C.I.F. Value of imports

Particulars	Year Ended 31st	Year Ended 31st
	March, 2017	March, 2016
	₹	₹
I. Raw materials;	83,116,529	89,661,790
II. Capital goods	839,416	997,645





24 Related Party Disclosure

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

Particulars	Associates	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
Purchase of goods 1. HPL Electric and Power Ltd.	329,884,241	332,400,159
Sale of goods 1. HPL Electric and Power Ltd. 2. Havell's Private Ltd.	17,810,678 37,641,388	120,371,337 -
Purchase of Investment at book Value 1. HPL Electric and Power Ltd.	-	150,667,050
Purchase of Assets at Book Value 1. HPL Electric and Power Ltd.	-	850,000,356

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

Name of Transactions	Year Ended 31st March, 2017	Year Ended 31st March, 2016
TRADE PAYABLES (A) Associates :		
1. HPL Electric and Power Ltd.	85,294,681	149,033,335
2. Havell's Private Ltd.	20,128,171	-

Remuneration to Relative of Key Management Personals

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	₹	₹
	1. Praveen Seth	6,342,665
2. Pooja Seth	702,665	463,840
3. Vani Seth	702,665	463,840

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

(A) Associates :

(1) HPL Electric & Power Ltd.

Name of related parties with and description of relationship :

(A) Associates :

(1) HPL Electric & Power Ltd.

(3) LK HPL Pvt. Ltd.

(5) Havells Electronics Pvt. Ltd.

(7) Jesons Impex Pvt. Ltd.

(9) Havells Pvt. Ltd.

(2) HPL India Ltd.

(4) HPL Power Corporation Ltd.

(6) Amerex India Pvt. Ltd.

(8) Amerex Pvt. Ltd.

(10) HPL Projects Portfolio Pvt Ltd.



(B) Key Management Personnel :

(1) Shri Lalit Seth

(3) Shri Gautam Seth

(2) Sh. Rishi Seth

(C) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth

(3) Mrs. Vani Seth

(2) Mrs. Pooja Seth

- 25 Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the period ended 31st March, 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.
- Principal amount and the interest due thereon remaining unpaid to any supplier at the period ending 31st March, 2017 - ₹ 31,688,990/- (P.Y. ₹ 50,492,016)
  - Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the beyond the appointed day during the accounting period ending 31st March, 2017 - Nil (P.Y. Nil)
  - Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED - Nil (P.Y. Nil)
  - Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2017 - Nil (P.Y. Nil)

26 Prior Period Items

Prior period income/ expenses during the period ended 31st March, 2017 ₹ NIL (P.Y. ₹ Nil ).

27 Construction Contract Reporting

	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
a) Contract revenue recognised as revenue in the year [Clause 39(a)]	9,277,046	15,166,487
b) Aggregate amount of cost incurred and recognised profit up to the reporting date on contracts under process [Clause 40 (a)]	-	-
c) Advances received on Contracts under process [Clause 40 (b)]	-	-
d) Gross amount due from customers for contract work as an assets [Clause 42(a)]	-	-
e) Gross amount due to customers for contract work as a liability [Clause 42(b)]	-	-

28 Employee's Benefit

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

a) Defined contribution Plans

Contribution to defined contribution plan, recognised as expense for the period ending 31st March, 2017 are as under:

	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Employer's contribution to Provident Fund	2,742,052	2,236,000
Employer's contribution to ESI	927,736	704,881

b) Defined Benefit Plans

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

	Gratuity (Non Funded)	
	₹	₹
Defined Benefit obligation at beginning of period	2,248,438	1,760,471
Current Services Cost	561,267	449,063
Interest Cost	168,633	140,838
Actuarial (gain)/loss	372,019	93,817
Benefit paid	(642,093)	(195,751)
Defined Benefit obligation at period ending	<u>2,708,264</u>	<u>2,248,438</u>

ii) Expenses recognised during the period

	Gratuity (Non Funded)	
	₹	₹
Current Service Cost	561,267	449,063
Interest Cost	168,633	140,838
Net actuarial (gain)/loss recognised in the period	372,019	93,817
Net Cost	<u>1,101,919</u>	<u>683,718</u>

iii) Actuarial Assumption

Rate of escalation in salary (p.a.)

5% p.a.

5% p.a.

Mortality

IALM 2006-08 Ultimate IALM 2006-08 Ultimate

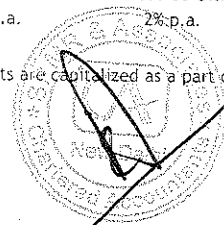
Withdrawal Rate (p.a.)

2% p.a.

2% p.a.

29 Borrowing Costs

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



30 Segment Reporting  
Business Segments

The company's operating businesses are organised and managed separately according to the types of products/services provided. The identified reportable segment are implementation of projects and manufacturing of energy meters. Segment information is disclosed as under :-

Primary Business Segment	As at 31st March,	As at 31st March,
	2017	2016
	₹	₹
Revenue		
Segment Revenue (Gross)		
Metering	1,014,201,643	1,043,609,685
Projects	9,277,046	15,166,487
	<u>1,023,478,689</u>	<u>1,058,776,173</u>
Result		
Segment Result		
Metering	144,824,413	227,093,401
Projects	(6,587,044)	(5,895,481)
	<u>138,237,369</u>	<u>221,197,920</u>
Unallocated expenses net of income	2,362,632	4,776,951
Operating Profit	135,874,737	216,420,969
Interest Expenses	47,464,512	58,379,810
Profit Before Tax	88,410,224	158,041,159
Tax expenses	27,967,929	37,905,096
Profit After Tax	<u>60,442,295</u>	<u>120,136,063</u>
Other Information		
Segment Assets		
Metering	1,053,611,691	932,378,445
Projects	159,981,776	191,661,923
unallocated	186,486,504	165,304,205
	<u>1,400,079,971</u>	<u>1,289,344,573</u>
Segment Liabilities		
Metering	395,535,375	331,408,545
Projects	9,381,301	10,773,121
unallocated	334,669,553	348,983,560
	<u>739,586,229</u>	<u>691,165,226</u>
Capital Expenditure		
Metering	41,512,304	5,933,349
	<u>41,512,304</u>	<u>5,933,349</u>
Depreciation		
Metering	15,747,159	13,574,446
Projects	8,563,704	8,586,666
	<u>24,310,863</u>	<u>22,161,112</u>

31 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.

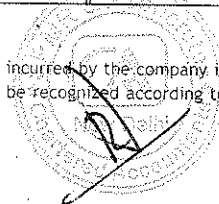
32 Research & Development Expenses during the period ended 31st March, 2017 : NIL (P.Y. NIL).

33 Deferred tax

Particulars	As at 31st March,	As at 31st March,
	2017	2016
Deferred tax liability	2,378,336	506,236

34 Intangible Assets

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



35 Derivative Instruments

a) The company has not entered into any derivative transactions during the period ending 31st March, 2017 (P.Y. NIL).

b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at March 31,2017 :

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupees	₹ 18,426,488/-	Nil
Previous Year	Indian Rupees	₹ 23,991,759/-	Nil

36 As per the provisions of section 135 of the companies act ,2013,the company has to provide 2% of average net profits of preceding 3 financial years towards corporate social responsibility (CSR).Accordingly,a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the companies Act, 2013.The company has already formed a trust for this purpose.However the activities to operationalise the trust functioning, is still under process.The contribution to the trust shall be made once the trust is ready to function.

37 In accordance with the revised accounting standard AS 10, "Property, Plant and Equipment" the Company has reclassified from inventory to " Property, Plant and Equipment" items of spare parts used for servicing of goods, amounting to ₹ 58,720,150/-. The reclassified spare parts are expected to be used for more then twelve months period. These items would be depreciated over their respective remaining estimated useful lives.

38 Capital Commitment

(Amount in ₹ )  
As at 31st March, 2017 As at 31st March, 2016

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

Nil Nil

39 Contingent Liabilities

Nil Nil

- a Income Tax demand raised for the A.Y. 2009-10 amounting to ₹ 206,996/- (P.Y. ₹ 206,996 /-) pending before Income Tax Assessing Officer.
- b Income Tax demand raised for the A.Y. 2011-12 amounting to ₹ 2,321,740/- (P.Y. ₹ 2,321,740 /-) pending before Income Tax Assessing Officer.
- c Income Tax demand raised for the A.Y. 2016-17 amounting to ₹ 437,240/- pending before CPC.
- d PF demand raised for the period July 2011 to January 2016 amounting to ₹ 202,635/- and ₹ 99,292/- pending before EPF Appellate tribunal,Delhi.

40 Demontisation Transactions

At the closer of 08/11/2016 the Company was having cash Balance of Rs. 2,138,469 which includes specified bank notes of Rs. 1,833,500.(Circuler No. G.S.R as per 308(E) Dated 30th march 2017)

Particulars	SBN'S (Amount)	Other Denominations Notes (Amount)	Total (Amount)
Closing Cash In Hand as on 08.11.2016	1,833,500	304,969	2,138,469
Transaction between 09.11.2016 to 30.12.2016			
Add: Withdrawal from bank accounts	-	50,000	50,000
Add : Receipts from permitted transactions	-	523,456	523,456
Add : Receipts From non-permitted transactions	-	-	-
Less : Paid For permitted transactions	-	454,588	454,588
Less : Paid For non-permitted transactions	-	-	-
Less: Deposited in bank accounts	1,833,500	-	1,833,500
Closing Cash In Hand as on 30.12.2016	-	423,837	423,837

41 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding period ending 31st Mar, 2016 figures.

Significant Accounting Policies and Notes to Accounts forming Part of the Financial Statements (Notes 1 to 41)

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

DATED : 22 MAY 2017

For and on behalf of Board

*Latit Seth* *Rishi Seth*

Latit Seth  
Director  
DIN-00312007

Rishi Seth  
Director  
DIN-00203469

*Sudershan Dev Pradeep*  
Sudershan Dev Pradeep  
Company Secretary