HPL Electric & Power Limited

POWERING PROGRESS

Annual Report
2022-23

To view our report online,
please visit: **www.hplindia.com**

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Forward-looking statement

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking based statements although we believe we have been prudent in our assumptions.

POWERING PROGRESS

AS INDIA EVOLVES INTO AN ADVANCED NATION, HPL ELECTRIC & POWER STANDS ALONGSIDE IT, HELPING SHAPE A COUNTRY THAT IS DETERMINED TO MAKE GOOD ON ITS CLIMATE COMMITMENTS.

Embracing cutting-edge technologies, we are deeply committed to spearheading the adoption of smart metering solutions, a sector in which we enjoy a formidable position. Our end-to-end 5G deployment solutions also position us as a trusted partner to telecom service providers for propelling India's digital economy forward. In parallel, our innovative smart city solutions align with the nation's vision for urban regeneration and transformation.

By fortifying our presence in the renewable energy domain, particularly with our extensive solar portfolio, we're directly contributing to India's net-zero commitments. Our expanding range of energy-efficient lighting and switchgear products, now widely embraced in the market, further reduces carbon footprints. Additionally, our initiatives in electric vehicles and their charging solutions are pivotal in driving India's transition to green mobility, and accelerating the nation's journey to climate neutrality.

The fiscal year 2023 served as a pivotal inflection point for us. Beyond merely achieving commendable financial metrics, we witnessed exponential growth in our metering domain, launched groundbreaking products across distinct categories, celebrated our inaugural 5G electric product order, and realised superior operational efficiencies. Each of these accomplishments marked a transformative step, signalling our continued ascent in the industry.

Looking ahead, we are poised to power our performance further. Our pillars of in-house research and development, technological excellence, integrated manufacturing prowess, strong pre-qualification credentials, and extensive market reach underpin our growth trajectory. Our international product certifications further bolster our global accessibility, complemented by proactive customer engagement.

In 'Powering Progress,' HPL Electric & Power is not just observing India's change but actively shaping it. From renewables to 5G, our actions mark clear steps towards a sustainable, connected future. As India strides forward, we're in step, driving tangible progress.

HPL Electric & Power Limited

About Us

POWERING PROGRESS WITH TRUSTED ELECTRICAL PRODUCTS

Incorporated in 1992, HPL Electric & Power Limited is among India's leading and most trusted electrical equipment manufacturers. Our innovative, high-quality and technologically advanced products have established us as the preferred brand across retail, institutional and utility segments.

Serving as a one-stop destination for low-voltage electrical products, our offerings encompass metering solutions, switchgear, lighting products, and wires & cables. We meet emerging electrical equipment requirements of customers globally, powering shared progress. We proudly lead the market in India's electric meters and on-load change-over switches.

State-of-the-art integrated manufacturing facilities, in-house research and development capabilities, and an extensive distribution network underpin our operations. Our long-standing relationships with customers, international certifications, robust brand recall and strong pre-qualification credentials continue to power our consistent growth across market segments.

POWERING AHEAD

Our Progress over the Years

50%
Market Share in the Domestic On-load Change-over Switches Market *

20%
Market Share in Domestic Electric Meters Market *

5%
Market Share in the Low-voltage Switchgear Market *

5TH
Largest LED Lighting Products Manufacturer *

42+
Export countries

Note: * Frost & Sullivan 2016

Our Progress in FY 2022-23

24.48%
Revenue growth on a year-on-year basis

25.36%
EBITDA growth on a year-on-year basis

235%
PBT growth on a year-on-year basis

38
days Reduction in inventory days over FY 2021-22

₹4.69
EPS (₹ 1.21 in FY 2021-22)

₹1,500+
Crore Order Book as of March 31, 2023

Received the first set of formal orders for supply of 5G electrical products

34
New product innovations

Enabling our Progress

50+
years of industry experience

7
state-of-the-art manufacturing facilities

2
R&D facilities

90+
branch & representative offices across India

21
warehouses across India

900+
dealers across India

45,000+
retailers across India

1,165
employees

About Us (Contd.)

Comprehensive Product Portfolio

We have developed a well-diversified portfolio of electrical equipment catering to various market segments, providing steady growth and business stability.

Metering Solutions

Smart Meter

Net Meter

Prepaid Meter

Trivector Meter

Switchgears

Industrial Applications

ACB

MCCB

Onload Changeover Switch

Automatic Transfer Switch

Domestic Applications

Osafe MCB

Techno (N) MCB

RCCB

Phase Selector

Solar Applications

Switch Disconnector (DC)

String Combiner Box

Solar Cable

Solar Street Light

Modular Switch & Accessories

Smart Switches

Plug Sockets

Push Bells

Edeno Switches

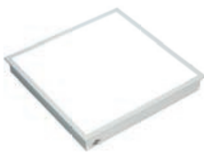
Lighting Equipment

Consumer LED Products


Aries LED


LED Glow Bulb

Commercial LED products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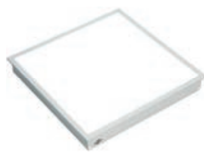

CRCA Panel

Outdoor LED products


Street Light


LED Flood Light

Wires and Cables


Fire Resistant Cables


Co-Axial Cables


Solar Cables


Networking Cables

Business Segments

During the year, we redefined our reporting segments based on similar economic market and business characteristics: (i) the metering and systems segment and (ii) the consumer and industrial segment. This re-grouping facilitates more insightful reporting and empowers products within each segment to leverage market, manufacturing and cross-selling synergies.

Segment	Metering and Systems	Consumer and Industrial
Product/Solutions	Metering Systems and Projects business	Switchgear, Lighting, Luminaries and Wires & Cables
Customer Type	Largely institutional and B2B	Largely B2C
Revenue Share (FY 2022-23)	53%	47%

About Us (Contd.)

Our Competencies

World-class manufacturing infrastructure

We operate seven manufacturing facilities for design, product development, component design and commercial production. Our integrated capabilities ensure quality control and efficient supply chain management, resulting in competitive pricing. These facilities in Haryana (Gurugram, Kundli, Gharaunda) and Himachal Pradesh (Jabli) hold international certifications and uphold superior operational and quality standards while offering scalable capacity and product customisation. Our strong focus on automation further enhances operational excellence.

Strong R&D thrust

We drive consistent technological advancement and introduce innovative products through our two state-of-the-art R&D centres. Located in Gurugram and Kundli, these centres are powered by the expertise of over 100 skilled engineers. The Gurugram centre holds NABL accreditation, complies with ISO/IEC 17025:2005 standards, and has a dedicated testing facility. Additionally, we operate two tool rooms, specialised in rapid prototyping and component design, catering to our diverse product range.

Established pan-India distribution network

Our robust distribution and supply chain network spans the country, ensuring widespread product availability that drives both B2C sales and institutional demand. We are actively expanding this network, emphasising rapidly developing tier two and three cities. We employ engagement strategies such as retail meets, engagement programmes, promotional campaigns and incentive schemes to strengthen our outreach. Furthermore, our dedicated team of 620+ full-time employees focusses on promotional and brand-building activities, enabling us to access a broader customer base.

Strong pre-qualification credentials

We collaborate with power utilities and government agencies through direct contractual agreements secured by competitive bidding. These contracts demand specific pre-qualification criteria. Our robust pre-qualification credentials, encompassing past experience, technical prerequisites, quality and safety compliance, financial robustness and competitive pricing, provide us with a distinct edge in the market.

Established relationships

We have forged strong partnerships with institutional customers, power utilities, and government agencies throughout India. Our Company has carved a strong niche in the realm of technologically advanced products, particularly within the metering and switchgear businesses.

Experienced management team

Our Company is guided by a distinguished management team with deep expertise in the electrical equipment industry. With a strong promoter pedigree boasting over 45 years of experience and an average of more than 25 years of experience within our senior management team, their extensive knowledge and profound understanding of the market have played a pivotal role in driving HPL's impressive organisational growth and evolution.

Our Manufacturing Plants


Gurugram Plant, Haryanra


Gurugram Plant, Haryana


Jabli Plant, Himachal Pradesh


Sonipat Plant, Haryana


Kundli Plant, Haryana


Gharaunda Plant, Haryana

HPL Electric & Power Limited

Chairman's Message

COMMITTED TO POWERING PROGRESS FOR ALL STAKEHOLDERS

Our revenue from operations increased by 25% to reach ₹ 1,262 Crore and EBITDA grew by 25.36% to reach ₹ 156.86 Crore. The EBITDA margin stood at 12.43%, compared to 12.34% in the previous year, underscoring our adeptness in navigating challenges posed by high raw material costs.

Dear Shareholders,

As I reflect on FY 2022-23, I am pleased to share that HPL Electric & Power has showcased its commitment to powering progress for all stakeholders. Our performance has been broad-based, with both our B2B and B2C segments registering strong growth. While attaining new milestones and achievements, we have stayed steadfast to our larger purpose of fostering a future marked by environmental consciousness, technological advancement and energy efficiency. This all-encompassing strategy positions our Company favourably to lead in long-term value creation.

Operating environment

In the midst of a global economic downturn, the Indian economy has emerged as a beacon of stability and growth. Despite the initial half of FY 2022-23 being marked by high inflation and unprecedented volatility in commodity prices, the government's progressive reforms and initiatives spanning nearly a decade have bolstered the economy's resilience. India's Gross Domestic Product (GDP) expanded by 7.2% in FY 2022-23. Strong domestic consumption and increased private investment in the post-COVID era of rejuvenation and new momentum also contributed to India's growth.

Looking forward, India is positioned to lead the global economy, a feat not witnessed in many decades. A significant driver of this economic transformation is the ongoing focus on infrastructure development. For the Indian electrical industry, flagship initiatives like the Revamped Distribution Sector Scheme (RDSS), National Smart Grid Mission (NSGM) and Integrated Power Development Scheme (IPDS), which aim to modernise and fortify the power distribution infrastructure, offer substantial potential to stimulate demand. The government's commitment to 'Housing for All', 'Power for All', digitalisation of the economy, and the promotion of indigenous manufacturing are also expected to create a positive climate for industry growth.

Performance review

Our comprehensive range of electrical solutions has established us as a trusted partner for utilities, businesses and communities. Leveraging our strong industry position and capitalising on opportunities stemming from government initiatives and an improved macroeconomic landscape, we achieved robust year-on-year growth for FY 2022-23.

Our revenue from operations increased by 25% to reach ₹ 1,262 Crore and EBITDA grew by 25.36% to reach ₹ 156.86 Crore. The EBITDA margin stood at 12.43%, compared to 12.34% in the previous year, underscoring our adeptness in navigating challenges posed by high raw material costs. Our reported profit after tax witnessed exceptional growth, surging by 287% to reach ₹ 30 Crore. This achievement showcases the effectiveness of our strategies in cost optimisation and operational efficiency. Notably, we reduced our inventory days by 38 days, demonstrating our efficient inventory management and diligent monitoring of accounts receivable.

During the year, we redefined our reporting segments based on shared market and business characteristics, namely: (i) the metering and systems segment and (ii) the consumer and industrial segment. The metering and systems segment, primarily serving B2B clients, reported a remarkable revenue growth of 50.87%, reaching ₹ 670 Crore. Meanwhile, our consumer and industrial segment, catering to B2C markets and encompassing non-utility metering, switchgear, lighting, and wires & cables, experienced a moderate revenue growth of 3.92%, reaching ₹ 592 Crore. We are confident that this portfolio regrouping will enable a more focussed approach for capitalising on cross-selling opportunities within our consumer and industrial segment.

We closed the year with a strong order book of ₹ 1,500+ Crore, which ensures revenue visibility for the short and medium term. The metering and systems segment constitutes 82% of this order book, reflecting a substantial surge in demand due to the implementation of government schemes. Notably, more than 75% of the current meter order book comprises smart meters, a positive indicator as these attract higher realisations and contribute to improved profitability. Additionally, we secured our first formal orders for the supply of 5G electric products to leading telecom companies.

The way ahead

The enquiry base for metering tenders remains robust, and large number of tenders have been already floated or expected to be issued in the near term. This opportunity is in alignment with the government's ambitious plan to deploy around 25 Crore smart meters nationwide. Underpinned by our manufacturing excellence and continuous efforts in enhancing product innovation and technological advancements, we anticipate a surge in demand for our smart metering solutions from both public and private sectors.

Various state governments are actively investing in the development of smart cities, and our Company is actively contributing to these initiatives. Presently, we are engaged in two smart city lighting projects, while having successfully completed two similar projects previously. The ongoing drive for 5G infrastructure, emphasis on renewable energy, and the steady transition towards electric mobility serve as additional growth drivers, reinforcing our optimism for a favourable business outlook.

We are also confident in fostering healthy growth within our consumer business. A primary focus area will be the enhancement of our distribution reach and relations. While our current distribution network encompasses around 45,000 retailers, our ambition is to extend it to achieve 1,00,000 retail points within the next two years. Investments in product innovation and brand building will also continue for accomplishing our growth objective.

Overall, we are well-positioned to capture emerging opportunities. We have sufficient manufacturing capacity to support demand over the medium term. Simultaneously, we are actively engaged in various automation initiatives and harnessing cutting-edge technologies to elevate productivity, cost efficiency and customer satisfaction. Our cost competitiveness, bolstered by our integrated capabilities, along with our steadfast adherence to international quality standards, also uniquely positions us to seize global opportunities. This is particularly relevant as businesses worldwide seek to diversify and mitigate supply chain risks.

Acknowledgements

On behalf of the Board, I express our sincere appreciation to all our stakeholders for their unwavering support. I would also like to extend a special note of gratitude to our employees, whose dedicated efforts have propelled our Company to reach new heights. At HPL Electric & Power, we remain resolute in our commitment to providing innovative solutions and fostering excellence at every juncture of our journey, all geared towards ensuring sustained growth.

Warm regards,

Lalit Seth

Chairman and Whole-Time Director

HPL Electric & Power Limited

POWERING PROGRESS WITH OUR PREPAREDNESS

Empowered by our new-age technologies, robust manufacturing facilities and established pre-qualification credentials, we are primed to capitalise on the massive demand for smart meters and drive sustainable performance of our metering and systems segment.

We are one of the leading player in India's electric meters market with a market share of ~20% and a proven track record of over two decades. Our strategic focus is on smart meters with the smart metering revolution underway across the country. We have an installed annual capacity of 1.1 Crore meters, which is also adaptable for smart meters. The metering business is tender-driven, with most supplies being made to state-owned and private utilities.

We are empanelled as an Advanced Metering Infrastructure (AMI) Service Provider under the Design, Build, Finance, Own, Operate, Transfer (DBFOOT) framework within the Revamped Distribution Sector Reform Scheme (RDSS). Our Empanelment Certificate, earned after rigorous Central Power Research Institute (CPRI) laboratory testing, positions us to tap into India's substantial smart meter market.

Progress review

A foundation of steadfast preparedness is at the core of our growth strategy for the Metering and Systems segment. This readiness came to the forefront in the past year as we capitalised on the expansive smart meter opportunity to drive solid performance.

We secured a substantial order valued at ₹ 161.59 Crore to provide smart meters to a leading private DISCOM player. This achievement underscores our dominant position in the smart metering domain, reinforcing our identity as a robust advanced meter solutions provider.

As of March 31, 2023, our order book stood at ₹ 1,250+ Crore, ensuring robust short and medium-term revenue visibility. Among these orders, 75% pertained to smart meters. Smart meters command higher realisations, thereby enhancing revenue and profitability. We remain committed to executing our current orders expediently, ensuring efficient pipeline management.

FY 2022-23 Performance

50.87%
Revenue growth on a year-on-year basis to reach ₹ 670 Crore

66.98%
EBIT growth on a year-on-year basis to reach ₹ 91.3 Crore

13.62%
EBIT margins
(↑ from 12.31% in FY 2021-22)

The smart meter opportunity

The paradigm shift from conventional electronic meters to smart meters presents a monumental growth opportunity in India. This transformation, unparalleled in the metering industry's recent history, is driven by government vision and initiatives. Programmes such as the Revamped Distribution Sector Scheme (RDSS), National Smart Grid Mission (NSGM) and Integrated Power Development Scheme (IPDS) require installation of smart metering to strengthen the transmission and distribution network and reduce distribution losses. The Ministry of Power's plan to install 25 crore smart meters opportunity—reflects the commitment to energy efficiency and modernisation.

Robust fundamentals for capturing opportunities

We are strategically positioned in the smart metering category, benefiting from a dual advantage: an empanelled AMI service provider and a leading smart meter manufacturer. As part of our growth strategy, the major thrust will be on supplying meters, while project undertakings as an AMI service provider will be done on a selective basis.

Our confidence in seizing emerging opportunities stems from our manufacturing capabilities, pre-qualification credentials and technological prowess. Our dedicated R&D team of 100+ engineers is focussed on integrating smart tech advancements. This includes cutting-edge IoT, communication, and AI-enabled solutions. Additionally, we are driving process automation and leveraging advanced technologies to achieve more world-class assembly lines and testing lines for smart meters.

Powering our progress in the smart meter category

Installed capacity of 1.1 Crore meters per year, fungible for smart meters

Proven track record of supplies to most state and central utilities

Strong pre-qualification credentials

Empanelled as an Advanced Metering Infrastructure (AMI) Service Provider

Consumer & Industrial Segment

POWERING PROGRESS WITH OUR STRENGTHS AND FOCUS

The rise in urbanisation, growing demand for real estate, and the impetus of government flagship initiatives aimed at fostering a digital economy, creating smart cities, and promoting affordable housing are propelling the progress of our consumer and industrial segment.

India's dynamic growth and strong consumption narrative are propelling the expansion of our B2C segment. Our cutting-edge technology and high-quality products give us a competitive advantage. We reinforce these strengths by expanding our distribution network and improving our brand visibility and connection.

Progress review

Our Consumer and Industrial segments demonstrated steady growth during the year. Our lighting division has emerged as a frontrunner within the business, complemented by solid performance in wires, switchgears, and related segments. Exciting new products were launched across all verticals aligned with changing customer preferences and evolving technologies. Most of the new products have received encouraging responses.

FY 2022-23 Performance

3.92%

Revenue growth on a year-on-year basis to reach ₹ 592 Crore

15.55%

EBIT growth on a year-on-year basis to reach ₹ 70.0 Crore

11.18%

EBIT Margins
(↑ from 10.64% in FY 2021-22)

New Launches

Switchgear
Launched over 10 New Products in the Industrial Switchgear category

Lighting
Launched 24 new products

Strong runway for growth

India's rapidly growing digital economy is creating a significant market opportunity for 5G technology, which can enhance digital experiences and serve as a crucial enabler for a digital future. Our strategic partnerships with leading telecommunications companies and infrastructure providers, along with our extensive experience and broad portfolio benchmarked to international standards, position us to provide end-to-end solutions for 5G deployment. We are already approved by the leading telecom players in the country.

The rise of EV charging infrastructure, driven by institutional and private consumers, further aligns with our expertise in electrical products. Additionally, the ongoing focus on smart city development and solar power enhances the demand potential for our electrical offerings. Notably, our experience extends to previous successful smart city lighting projects in Bhopal, Jalandhar, and ongoing initiatives in the cities of Karnal and Dharamshala.

Three-pronged growth strategy

We have strategically refined our dealer network in recent years by re-evaluating and consolidating our base. Our emphasis has been on distribution capabilities and financial stability. Simultaneously, we have expanded into underrepresented regions with high-quality dealers. This complements our ongoing efforts to expand the retail channel, resulting in over 45,000 active retailers currently. Our target is to achieve 1,00,000 retail points within the next two years.

Our channel partner engagement initiatives include organising electrician, dealer, retailer, and builder meets and technical seminars. We participated in ELECRAMA 2023, a prominent exhibition in the Indian electrical industry, where we connected with stakeholders and showcased our innovations. Additionally, we organised industrial webinars and virtual exhibitions to further engage our audience. These efforts have strengthened trade relations and business prospects.

We have recalibrated our customer outreach strategies in response to shifting customer preferences towards digital media. Our marketing campaigns now concentrate on platforms like Facebook and Instagram, which resonate strongly with our target audience. This strategic approach has notably expanded our reach and deepened brand connections.

Leveraging our R&D capabilities, we have developed a diversified portfolio of electrical equipment catering to various market segments. We are committed to optimising cross-selling opportunities between our dealers and customers.

By following our three-pronged strategy of enhancing distribution reach and relations, undertaking brand-building initiatives, and consistently developing innovative products, we are confident in the growth trajectory of our consumer business. Given the consumer business' shorter working capital cycle compared to the metering and systems segment, an increased contribution from the consumer business will yield higher return on Capital Employed (ROCE) and free cash flow, thereby enhancing our overall performance.

OVER 20 MILLION

Reach through our social media handles

International Business

POWERING PROGRESS BEYOND BOUNDARIES

Our globally acknowledged product certifications are propelling the accessibility of our products worldwide. Additionally, we have made substantial efforts to attain country-specific certifications, further enhancing our potential foothold in international markets.

At HPL Electric & Power, our entire product range available in the Indian market is compliant with international standards. Our LV switchgear testing laboratory in Jabli, Himachal Pradesh, holds IECEE certification for autonomous testing of MCB & RCCB, alongside CB certification from DEKRA, Netherlands. These certifications unlock access to 53 new markets, complementing our established presence in 42+ countries. Moreover, fortified by robust backward integration in design, development and manufacturing, we bolster our identity as a cost-effective supplier.

Progress review

Our exports, although starting from a smaller base, have shown remarkable growth in recent years. We continued to build on this momentum in FY 2022-23. Our traction in several esteemed international markets reinforces our confidence in sustained growth. Additionally, our global product portfolio has expanded. While switchgear was our main product range previously, the past year witnessed substantial progress in other categories such as wires & cables, lighting, solar products, meters and non-utility meters.

Confidence in future progress

Our pending export order offers strong sales visibility for the near-term outlook. We are strategically targeting the Middle East and Africa for market penetration, recognising compelling opportunities in these regions.

Countries globally seek to diversify their sourcing to mitigate supply chain risks, with India emerging as an attractive manufacturing destination. We believe that our cost competitiveness, driven by our integrated capabilities and our commitment to international quality standards, positions us favourably to capitalise on these opportunities. In-house R&D and testing laboratories also underpin our ability to customise products based on customer specifications.

Our proactive international outreach includes participation in major exhibitions across Germany, Dubai, Nigeria, and more. Showcasing our innovative products and cutting-edge technologies at these prestigious commercial platforms has generated significant interest among international customers, presenting promising new growth avenues.

GLOBAL FOOTPRINT

Business Responsibility

POWERING SHARED PROGRESS

Through our Corporate Social Responsibility (CSR) activities, alongside our continuous efforts to enhance environmental sustainability, social engagement and governance, we remain steadfast in our commitment to drive shared progress.

Support to Sri Sathya Sai Central Trust

We are dedicated to promoting education and nurturing the growth of young minds. In the past year, we extended our support to the Sri Sathya Sai Central Trust for their educational initiatives. Established in 1972, the Trust has been actively involved in various charitable endeavours, including providing assistance to the underprivileged, offering medical aid and advancing education for the greater public good.

The Trust manages the Sri Sathya Sai educational institutions, which are renowned for their values-based, comprehensive and high-quality education. Notably, these institutions do not charge any fees to their students. The educational approach followed in these schools and colleges is holistic, aiming to extract the latent knowledge, human values and wisdom within each student. The ultimate goal is to cultivate a generation of well-qualified young individuals with a strong commitment to national service, responsible citizenship, integrity, empathy for their fellow citizens and a profound spiritual outlook.

Environmental, Social and Governance (ESG) Focus

We recognise that our responsibility transcends mere financial value creation and encompasses the manner in which value is brought forth. Our ESG journey marks substantial strides towards establishing a company that generates enduring value for customers, employees, investors, communities and all stakeholders. This includes the adoption of ecologically responsible practices, driving products, policies and initiatives that enhance the well-being and growth of our workforce and communities, and the maintenance of robust corporate governance standards rooted in ethical values and the highest levels of professionalism.

Our societal contribution begins with the expertise of our team, whose endeavours result in world-class electrical equipment. Consistent investments are made in R&D towards enabling efficient energy management, optimised resource utilisation and enhanced operational efficiency. Our stringent adherence to global quality standards ensure efficient and reliable operations for utilities, businesses and communities worldwide. With a focus on innovation across our product portfolio, we continue to enhance our offerings, reducing energy consumption and raw material usage.

Ensuring the well-being and safety of our employees takes precedence as we cultivate a secure work environment. Rigorous audit systems are in place to safeguard employees from occupational injuries. Our focus on fostering employee growth and upholding a culture of excellence drives us to invest significantly in training and development. Our workforce actively engages in a diverse range of training programmes, encompassing both occupational and non-occupational aspects, skill advancement sessions and thorough compliance updates. We have established a comprehensive performance management framework that aims to offer ample opportunities for our employees to develop careers that align with their aspirations.

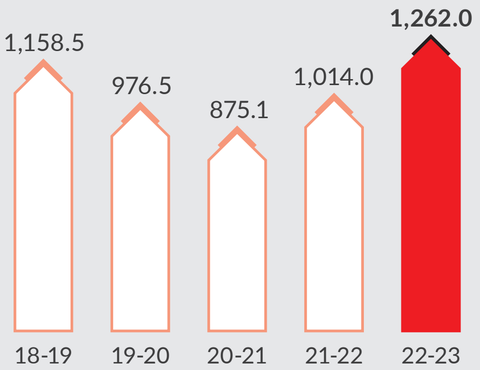
Our corporate governance structure establishes a robust foundation to protect the interests of all stakeholders. We remain committed to upholding the highest standards of integrity, ethics and professionalism in our business operations. In line with this commitment, we have created a governance framework aligned with business requirements and maintain transparency through consistent disclosures, emphasising effective control systems. Managing both present and future risks is pivotal in achieving our strategic goals and ensuring enduring value. As such, Enterprise Risk Management (ERM) is seamlessly integrated into our corporate governance framework.

HPL Electric & Power Limited

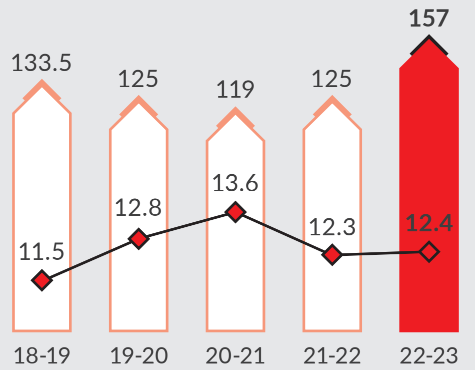
Performance Highlights

POWERING FINANCIAL PROGRESS

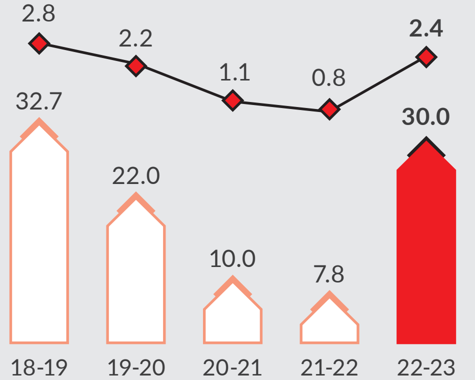
Net Revenue (₹ Crore)



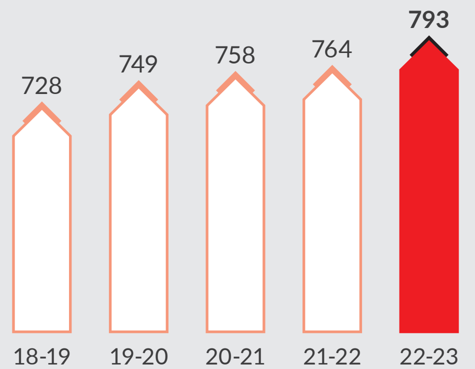
EBITDA (₹ Crore) & EBITDA Margin (%)



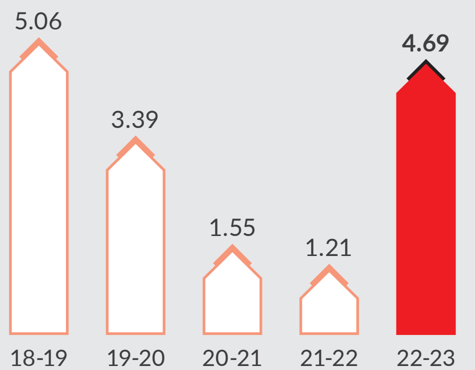
PAT (₹ Crore) & PAT Margin (%)



Net Worth (₹ Crore)



Earnings Per Share (₹)



Board of Directors

GUIDING OUR PROGRESS

Mr. Lalit Seth

Chairman and Whole Time Director

Mr. Lalit Seth is the vision behind HPL's success and reputation in the market today. Bringing in over 53 years of experience in the electrical industry, he plays a pivotal role in undertaking several progressive projects. The depth and diversity of his knowledge keep the Company on the path of sustainable growth, with its name synonymous with quality, technology, and reliability.

Mr. Rishi Seth

Managing Director

Mr. Rishi Seth is an MBA in Finance. In a career spanning over 28 years, he has been instrumental in HPL Group's organic growth. As the Managing Director, he is responsible for shaping the Company's strategic perspective, leading to its diversification and expansion into new avenues, including EPC projects and forays into green projects. He oversees the institutional and government business in addition to select manufacturing facilities. His significant achievement includes HPL's growth in the utility segment, establishing it as a globally leading Smart Meter manufacturer.

Mr. Gautam Seth

Joint Managing Director & CFO

Mr. Gautam Seth is a qualified Chartered Accountant responsible for the overall functioning and management of the administration. With over 26 years of experience in the electrical industry, he has carried forward the Group with dedication and commitment. He actively engages in the Group's sales and marketing activities, providing invaluable insights and direction to ensure market relevance and competitiveness. His strong vision, exemplary leadership, and expertise in the electrical market have fostered organisational growth & future prospects.

Mr. Hargovind Sachdev

Non-Executive Independent Director

Mr. Hargovind Sachdev holds a Bachelor's Degree in Science, Botany (Honours) and a Postgraduate Degree in English. An expert in the domain, he has worked with the State Bank of Travancore, State Bank of Patiala, and State Bank of India, where he was posted in Frankfurt, Germany, from 2006 to 2011 as Head of Credit. He has worked as Chief Vigilance Officer (CVO) at UCO Bank. He has travelled across 15 countries in Europe for Credit Dispensation. He is trained in Credit & Foreign Exchange at the Asian Institute of Management, Manila, Philippines, and Euro Money, London.

Dr. Rashmi Vij

Non-Executive Independent Director

Dr. Rashmi Vij is a Doctorate in Psychology with a brilliant academic record, and a gold medalist in MA (Psychology). She has been the Founder Principal of Police DAV Public School since 1996. She is the Chairperson of Jalandhar Sahodaya Complex, heads various sports organisations in Punjab and India and is the British Council School Ambassador for various advocacy programmes. She has been honoured with multiple awards, including the National Teacher Award - 2007 by the Honourable President of India, Smt. Pratibha Patil; The Best Principal Award by the DAV Management Committee, New Delhi; Scout Award by National Innovation Foundation for promoting innovative thinking in school. She is rendering valuable service in educating underprivileged children and women empowerment.

Mr. Dhruv Goyal

Non-Executive Independent Director

Mr. Dhruv Goyal holds a B. Sc Honours (Chemistry) from Hindu College, Delhi University and a Diploma in International Marketing from IIFT. He has over 31 years of experience in the cable and telecommunication industry. He also has vast exposure related to international business.

CORPORATE INFORMATION

Board of Directors

Mr. Lalit Seth
Chairman and Whole-time Director

Mr. Rishi Seth
Managing Director

Mr. Gautam Seth
Jt. Managing Director & CFO

Mr. Hargovind Sachdev
Independent Director

Dr. Rashmi Vij
Independent Director

Mr. Dhruv Goyal
Independent Director

Company Secretary

Mr. Vivek Kumar

Corporate Identification No.

CIN: L74899DL1992PLC048945

Registered & Corporate Office

Registered Office
1/20, Asaf Ali Road, New Delhi - 110 002
Tel.: +91-11-23234411
Fax: +91-11-23232639

Corporate Office
Windsor Business Park, B-1D, Sector-10,
Noida - 201 301 (UP)
Email: hpl@hplindia.com
Website: www.hplindia.com
Tel.: +91-120-4656300
Fax: +91-120-4656333

Statutory Auditors

M/s. Sakshi & Associates
Chartered Accountants, New Delhi

Internal Auditors

PricewaterhouseCoopers Services LLP,
Gurugram (Haryana)

Cost Auditors

M/s. M.K. Singhal & Co.,
Cost Accountants, Noida

Secretarial Auditors

M/s. AVA Associates
Practicing Company Secretaries,
New Delhi

Registrar & Transfer Agent

KFin Technologies Limited
Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Toll Free No: 1800-345-4001
Fax: 040-23001153
Email: einward.ris@karvy.com
Website: www.kfintech.com

Bankers/Lenders

State Bank of India
Union Bank of India
Punjab National Bank (e-Oriental Bank of Commerce)
Canara Bank
IDBI Bank Ltd.
Karnataka Bank Ltd.
Bank of Baroda
HDFC Bank Ltd.
Axis Bank Ltd.
Bank of Bahrain & Kuwait B.S.C.
The South Indian Bank Ltd.
The Federal Bank Ltd.
DCB Bank
SBM Bank (India) Ltd.

Works

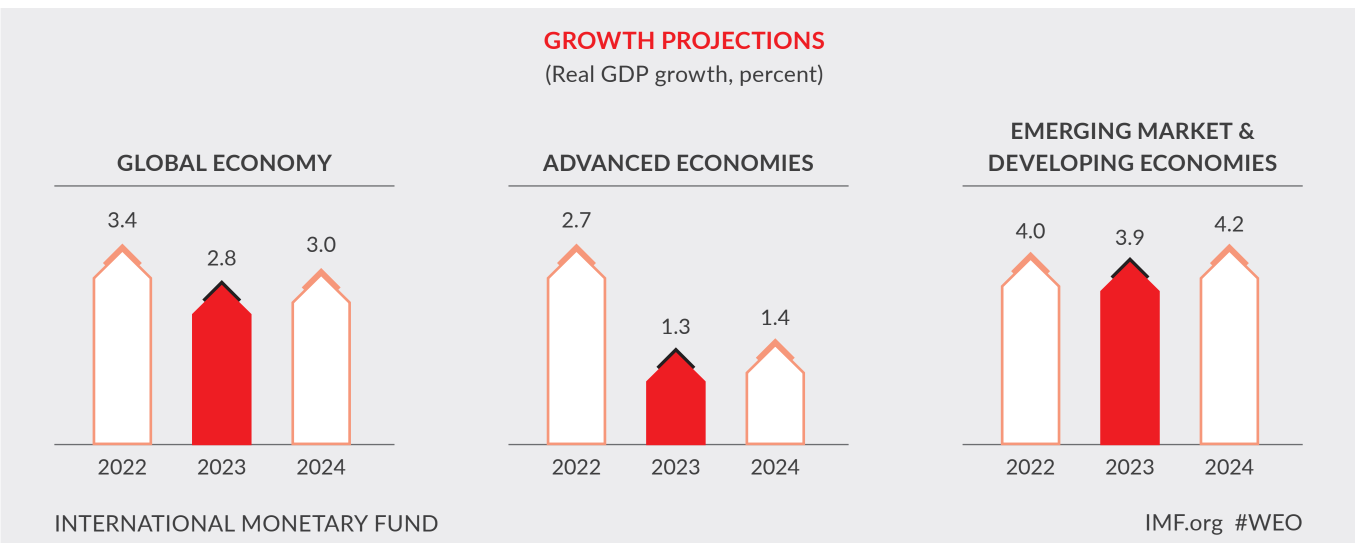
- Plot No. 132-133, Pace City-I, Sector-37, Gurugram, Haryana
- Plot No. 357-Q, Pace City-II, Sector-37, Gurugram, Haryana
- Vill: Shavela, P.O. Jabli, Distt. Solan, Himachal Pradesh
- Vill: Bigan, Dhaturi Road, Tehsil Gannaur, Sonepat, Haryana
- Plot No. 76-B, Phase IV, Sector-57, HSIIDC Industrial Area, Kundli - 131 028, Sonepat, Haryana
- Main GT Karnal Road, Village - Bastawa, Tehsil Gharonda, District - Karnal, Haryana

Management Discussion & Analysis

GLOBAL ECONOMIC OVERVIEW

After experiencing high market volatility from multiple headwinds in 2022, the global economy is showing resilience. The slowdown is expected to be less pronounced in 2023 than previously anticipated. However, higher inflation, tightening financial conditions, and the Russia-Ukraine war continue to impact the global economy. Persistent headwinds are threatening global economies, and the severity of these impacts loom. However, the rebounding of China's economy, improved supply-chain functioning, and the recent decline in energy and food prices indicate the improvement in economic activity in 2023. Further, global inflation is projected to decline from 8.7% in 2022 to 7% in 2023 and 4.9% in 2024.

Despite the global challenges, the U.S. economy remains strong and its real Gross Domestic Product (GDP) grew at 2.1% in 2022 on the back of increased private investment and consumer spending. It is projected to grow at 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to decline to 0.8% in 2023 before rising to 1.4% in 2024. According to the International Monetary Fund (IMF), global GDP growth is projected to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3% in 2024. Growth across Advanced Economies (AEs) is expected to decline from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. Emerging and Developing Economies (EMDEs) fared better and grew at 4% in 2022 and are expected to grow at 3.9% in 2023 and 4.2% in 2024. Asia-Pacific will be the most dynamic of the world's major regions in 2023, with China and India leading the growth.



(Source: IMF World Economic Outlook, April 2023)

INDIAN ECONOMIC OVERVIEW

The Indian economy is relatively insulated from global spillovers and continues to be among the fastest growing economies in the world. India's real GDP grew by 7.2% in FY 2022-23 as against 9.1% in FY 2021-22 and reflects robust domestic consumption and lesser dependence on global demand. Despite the weak external demand, the merchandise exports registered healthy growth. It was the highest-ever at US$ 448 billion with 6.03% growth during FY 2022-23 surpassing the previous year's record exports of US$ 422 billion.

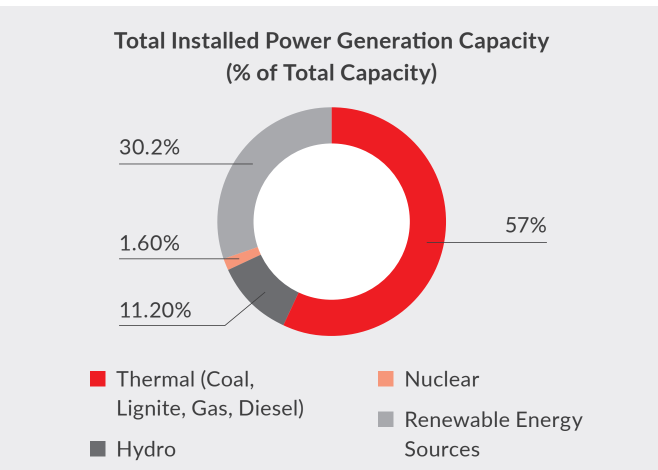
Following the gradual normalisation of global supply chains, softening of global commodity prices, and successive hikes in the policy repo rate by 250 basis points in FY 2022-23 by the Reserve Bank of India (RBI), the wholesale price index (WPI) inflation subsided to -3.48% (provisional) in May 2023 against -0.92% recorded in April 2023 and the consumer price index (CPI) inflation decreased to 4.25% (provisional) in May 2023 against 4.70% recorded in April 2023. Further, the core industries registered a combined ICI (Index of Eight Core Industries) increase of 7.6% (provisional) during FY 2022-23 compared to the corresponding period of last year. The gross Goods and Services Tax (GST) revenue collection in May 2023 was ₹ 1.57 trillion with 12% YoY growth. Moreover, increasing disposable income will stimulate consumption and boost the demand for goods and services across industries.

According to the IMF, the Indian economy is expected to advance steadily at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25. The economic growth is primarily driven by robust domestic consumption, abating of inflation, technology-enabled development, export growth, and revival in credit growth among others. Additionally, increased capital expenditure on infrastructure and the growth-enhancing policies such as the PLI schemes, 'Make in India' and 'Atmanirbhar Bharat' will strengthen the infrastructural and manufacturing base, lead to higher productivity, promote Indian products in the global markets and build a strong foundation for sustained economic growth.

INDUSTRY OVERVIEW

Power Sector

India is the third-largest producer of electricity worldwide with a total installed power capacity of 417.66 GW as on 31.05.2023. Power generation sources range from conventional sources such as coal, lignite, natural gas, oil, hydro, and nuclear power to non-conventional renewable sources such as wind, solar, and agricultural and domestic waste. Solar energy is the largest renewable energy source in India.



- Thermal (Coal, Lignite, Gas, Diesel) - 2,37,269 MW
- Hydro - 46,850 MW
- Nuclear - 6,780 MW
- Renewal Energy Sources - 1,26,769 MW

(Source: Ministry of Power)

The total generation of electricity (including renewable sources) in FY 2022-23 was 1,624.158 BU compared to 1,491.859 BU during FY 2021-22, representing 8.87% YoY growth. The electricity generation target including renewable energy for FY 2023-24 has been fixed at 1,750 BU, i.e. growth of ~7.2% over the actual generation of 1,624.158 BU for the previous year.

The demand for electricity in India has been growing rapidly, driven by the growing population, rapid urbanisation, accelerating industrial and economic activities, infrastructure development, rising electrification, energy transition and consequent per-capita consumption. The government's initiative 'Power for All' has accelerated capacity addition in the country. Power consumption in India grew 9.5% to 1,503.65 BU YoY in FY 2022-23. To meet the rising power demand, the government is pushing renewable energy (RE) to the forefront and undertaking various measures to increase RE capacity, increase cross-border linkages and improve the power transmission sector.

In the National Action Plan on Climate Change 2008, the government announced that the development of renewable energy will be one of its goals for reducing dependence on fossil fuels and combating climate change. In the Union Budget 2023-24, an increased fund of ₹ 10,222 crore is allocated to the Ministry of New and Renewable Energy (MNRE), which is 45% over the revised estimated allocation of ₹ 7,033 crore the last year. The government allocated ₹ 7,327 crore for the solar power sector including grid, off-grid, and PM-KUSUM projects.

The transmission sector plays a catalyst role in the power system value chain in India by supplying power to the consumers through the vital link between the generating stations and the distribution system and by extending the grid to renewable rich areas and facilitating renewable energy projects to connect into the grid. India has become one of the largest synchronous interconnected electricity grids in the world with 4,71,817 ckm of transmission line and 11,85,058 MVA of transformation capacity (as on April 2023) 177,641 ckm of transmission line and 628,329 MVA of transformer capacity are added in FY 2022-23. This has led to 1,12,250 MW inter-regional power transfer capacity with a staggering increase of 212% since 2014. The transmission network has been growing at a significant pace with the addition of transmission capacity both at interstate and intra-state levels, driven by rising power demand, the addition of renewable energy capacity, and the transition to renewable energy. The growth of electrification and consumption has led to a need for the expansion and upgradation of transmission and distribution (T&D) systems. The government has adopted several measures to strengthen the T&D network in the country which include:

- Fund allocation of ₹ 3,03,758 crore for the Revamped Distribution Sector Scheme (RDSS) for five years from FY 2021-22 to FY 2025-26 to provide financial assistance to DISCOMs for modernisation and strengthening of distribution infrastructure, aiming to improve the quality, reliability, and affordability of power supply through a financially sustainable and operationally efficient transmission and distribution sector.

- Implementation of Saubhagya Scheme, a concurrent program to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) to improve last-mile connectivity to rural households and Integrated Power Development Scheme (IPDS) for strengthening the power sub-transmission and distribution networks in urban areas.
- Supporting financial and operational turnaround of DISCOMs and National Smart Grid Mission to improve distribution system. (Source: Ministry of Power)
- Increasing privatisation of the power distribution sector, expansion of power distribution infrastructure, and smart grid projects.

Outlook

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. The CEA, in its National Electricity Plan, 2023 estimates that the share of non-fossil fuel energy generation would increase to 57.4% by FY 2026-27 and further to 68.4% by the end of FY 2031-32. The government's target of achieving net-zero carbon emissions by 2070 with 50% cumulative installed capacity for generating electric power from non-fossil fuel-based energy resources by 2030 will create lucrative opportunities for the power and transmission sector.

Indian Electrical Equipment Industry

India's Electrical Equipment Industry can be broadly classified into two segments – Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) equipment which includes energy meters, transformers, cables, transmission lines, switchgears, capacitors, etc. According to market research and advisory firm Technavio, the electrical equipment market size in India is expected to reach US$ 33.74 billion by 2025, growing at a CAGR of 9%. The rise in residential and commercial real estate projects will lead to an increased demand for power and drive the growth of the electrical equipment market in India. According to the Indian Electrical and Electronics Manufacturers' Association (IEEMA), the Indian electrical equipment industry witnessed a record double-digit growth of 13% in FY 2022-23. Industry production (estimated) for FY 2022-23 is ₹ 2,56,000 crore with increased exports touching ₹ 94,169 crore in FY 2022-23.

Metering solutions: Smart meters are being installed under various schemes of the government as well as by the State Utilities. Smart meters are connected through a web-based monitoring system which will help to reduce commercial losses of utilities, enhance revenues and serve as an important tool in power sector reforms. Under the Revamped Distribution Sector Scheme (RDSS), the Ministry of Power aims to install ~25 crore smart meters across India by March, 2025, which will create a huge potential market of ₹ 60,000 to ₹ 90,000 crore. State-owned Energy Efficiency Services Ltd (EESL), the agency through which the government's Smart Meter National Programme (SMNP) is being implemented, has already installed 30 lakh smart meters in Rajasthan, Uttar Pradesh, Delhi, Haryana, Bihar and the union territory of Andaman under SMNP. EESL further aims to install a total of over 47 lakh smart meters by December 2023.

Cables and wires: The wires and cables industry is estimated to value at ₹ 600-650 billion in FY 2022 and constitutes ~40-45% of the electrical equipment market in India. The wires and cables industry is characterised by intense competition from existing and new players and its fragmentation is marked by the presence of both larger organised players and numerous smaller players in the unorganised segment. The rapid rise of the organised sector and the government's focus on investment in infrastructure and development projects would promote large-scale growth across sectors, such as infrastructure, power, telecom, transmission and distribution, manufacture, real estate, engineering, and automotive. Growth in renewable power generation, expansion and revamping of T&D infrastructure, increasing investments in metro railways and smart grid projects and growth in the data centre sector will also contribute to a robust demand for wires and cables in India. Increasing urbanisation and commercialisation are expected to bolster investments in the real estate industry and drive the demand for low-voltage insulated wires and cables. The W&C market in India is expected to grow at a CAGR of 12% between FY 2021 - FY 2026.

Switch gears and modular switches: The India switchgear market size reached US$ 10 million in 2022. The market is expected to reach US$ 16.5 million by 2028, exhibiting a CAGR of 6.84% during 2023-2028. The growing demand for reliable and environment-friendly switchgear, increasing electricity consumption, replacement of old switchgears at sub-stations due to the rapid development in the power distribution sector and the growing implementation of the smart grid and smart meters, and renewable energy transition in the country are some of the key factors aiding the growth of the switchgear market in India.

Lighting equipments: The Indian lighting market is expected to grow at a CAGR of 9.8% between 2023 and 2028 and reach a projected value of US$ 5.51 billion by 2027. Rapid increase in the population, rising disposable income, increasing power consumption and high presence of numerous market players in the country is expected to drive the growth of the Indian lighting market. Based on light type, the market can be segmented into LEDs, CFLs, HIDs and halogens, and incandescent, among others.

The LED lighting market size in India reached US$ 3.4 billion in 2022 and is expected to reach US$ 11.9 billion by 2028, exhibiting a growth rate (CAGR) of 23.38% during 2023-2028. LED lighting has been gaining popularity in the Indian market due to its energy-efficient properties, longer lifespan, and lower maintenance costs.

They consume nearly 90% less energy compared to other lighting appliances. The government regulations for energy conservation, promoting energy-efficient lighting solutions, and initiatives such as the Unnat Jyoti by Affordable LEDs for All (UJALA) scheme have led to high penetration of LEDs in the market. Moreover, surging consumer demand for energy-efficient lighting systems and the growing infrastructure industry will propel the demand for the LED segment, which is likely to influence the growth of the lighting market in the coming years. Further, with the government's initiatives to promote solar power, there is a surge in demand for solar lighting solutions, especially in rural areas.

COMPANY OVERVIEW

HPL Electric & Power Limited (HPL or The Company) is a multi-product electric equipment manufacturer. The Company's product portfolio covers a wide range of low-voltage electric products including Metering Solutions, Switchgears, Lighting Products, Wires & Cables, Solar Solutions and Modular Switches. With 45+ years of extensive experience in manufacturing electrical equipment, HPL has built a strong brand reputation as a 'one-stop shop' offering innovative, quality and technologically superior products catering to varied market segments and at different price points.

The Company has established its name in the electrical equipment manufacturing industry with its strong innovation and technical capabilities, manufacturing excellence, a highly experienced leadership team, robust R&D support, strong pre-qualification credentials, consistent product quality and long-standing customer relationships. The Company has established a pan-India distribution network consisting of 90+ branch and representative offices, 900+ authorised dealers and 45,000+ retailers. It has a well-organised supply chain, supported by 21 warehouses across India. The Company exports its products to 42+ countries across the globe. HPL has 620+ full-time employees responsible for promotional and brand building activities for its products.

As a market leader in Electric Meters and On-load Change-over Switches, the Company has established long-standing relationships with institutional customers, power utilities and government agencies across India.

- 50% market share in the Domestic On-load Change-over Switches Market
- 20% market share in Domestic Electric Meters Market
- 5% market share in the low-voltage switchgear market
- 5th Largest LED Lighting Products Manufacturer

(Source: Frost and Sullivan Report 2016)

Manufacturing prowess

The Company's seven state-of-the-art manufacturing facilities with capabilities across design and product development, component designing, tool making and commercial production are located at Gurugram, Kundli, Gharaunda and Sonepat in Haryana and Jabli in Himachal Pradesh. Its two R&D centres in Gurugram and Kundli house 100+ expert engineers with rich experience in the electrical industry and a proven track record of product innovation. The Company consistently invests in research and development to innovate and update its product portfolio and to remain abreast with emerging trends and technologies. It has a Testing facility in Gurugram which is NABL accredited and ISO/IEC 17025:2005 compliant. It also has two Tool Rooms at the R&D Centres for prototyping and component designing for a complete range of MCBs, MCCBs, Meters, Changeover Switches, Switch Fuse Units, and LED Lamps.

Current capacity across segments

Product Segments	Capacity (per annum)
Electronic Meters	11 million units
Lighting Equipment	26 million units
Switchgear	16 million units
Wires & Cables	194 million metres

OPERATIONAL REVIEW

During the year, the Company launched:

- 10 new products in Switchgear Segment including the industrial and domestic range along with new products in solar category
- 24 new products in Lighting Segment

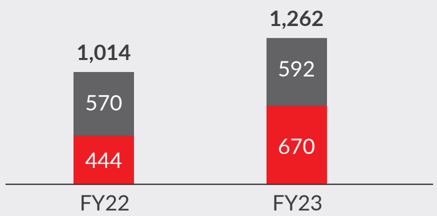
In Solar Electrical products, HPL developed complete range of solar solutions across meters, switchgears, lighting and wires & cables to cater new industry and market trends.

HPL registered strong performance in FY 2022-23 led by robust growth in the Metering & Systems segment and improvement in ROCE. The Company recorded robust double-digit growth as revenue surged by 24.48% in FY 2022-23 to reach ₹ 1,262 crore as against ₹ 1,014 crore in FY 2021-22. The Company operated at about 70% to 75% capacity utilisation towards the end of FY 2022-23. The Company has taken multiple price hikes in the Consumer Business in FY 2022-23 to pass on raw material inflation. Over the year, Company undertook a capex spent of about ₹ 42.90 crore out of which ₹ 40.95 crore is for the Metering segment and the balance is for the other consumer electrical segments. On the promotional front, advertising and marketing spend as a percentage to turnover in the last two years stood anywhere between 2.3- ~ 2.5%. In FY 2022-23, the Company undertook spending of almost ₹ 29 crore towards this.

FINANCIAL REVIEW

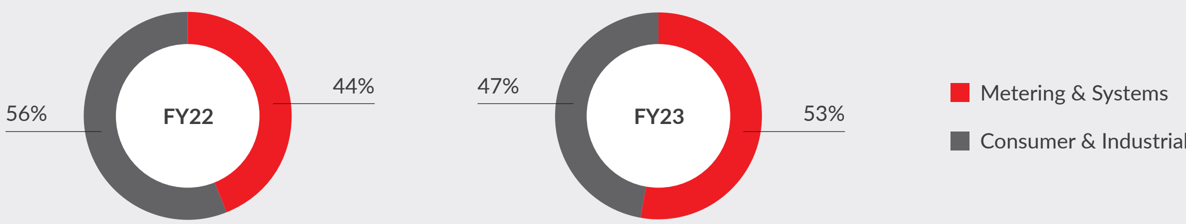
(in ₹ crore)

Segment Net Revenue & EBIT Margin



% EBIT Margin	FY22	FY23
Metering & Systems	12.31%	13.62%
Consumer & Industrial	10.64%	11.83%

Segment Revenue Share %



The Company has changed its segmental reporting by consolidating/restructuring on the basis of similar economic, market and business characteristics. Hence, the two new reportable segments identified are 'Consumer & Industrial' by aggregating wire & cables, lighting, luminaries and switchgear business into one segment and aggregating of Metering Systems and Projects business into another segment as 'Metering & Systems'. Changes in the reportable segment are in accordance with Ind AS 108, hence previous year figures are re-instated to make it comparable.

HPL registered strong performance in FY 2022-23 led by robust growth in the Metering and Systems segment and improvement in ROCE. The Company recorded robust double-digit growth as revenue surged by 24.48% in FY 2022-23 to reach ₹ 1,262 crore as against ₹ 1,014 crore in FY 2021-22. EBITDA registered a sharp increase of 25.36% and reached ₹ 156.9 crore in FY 2022-23 as against ₹ 125 crore the previous year. Gross profit improved by 16.37% YoY and stood at ₹ 420.45 crore in FY 2022-23 compared to ₹ 361.29 crore in FY 2021-22.

Profit after tax (PAT) stood strong at ₹ 30.2 crore in FY 2022-23, as against ₹ 7.8 crore in FY 2021-22. EBITDA margin slightly grew to 12.43% in FY 2022-23 as against 12.34% in FY 2021-22. PAT margin witnessed significant increased to 2.40% in FY 2022-23 compared to 0.77% in the previous year.

In terms of segments, the Metering & Systems segment reported good YoY growth. The revenue from the Metering & Systems segment grew by 50.87% YoY to ₹ 670 crore in FY 2022-23 from ₹ 444 crore in FY 2021-22. Consumer & Industrial segment revenue increased by 3.92% YoY to ₹ 592 crore in FY 2022-23 as against ₹ 570 crore in FY 2021-22.

A breakdown of performance in terms of different segments is depicted below:

I. **Metering & Systems business:** The Company's Metering & Systems business registered EBIT growth of 66.98% as EBIT stood at ₹ 91.3 crore in FY 2022-23 compared to ₹ 54.7 crore in FY 2021-22. The Metering & Systems segment registered EBIT margin of 13.62% in FY 2022-23 compared to 12.31% the previous year.

II. **Consumer & Industrial business:** The Consumer & Industrial segment consists of wire & cables, lighting, luminaries and switchgear business. The Consumer & Industrial segment registered EBIT growth of 15.55% where EBIT stood at ₹ 70 crore in FY 2022-23 compared to ₹ 60.6 crore last year. The segment registered EBIT margin of 11.83% in FY 2022-23 compared to 10.64% in FY 2021-22.

Management Outlook

HPL's growth trajectory is strong, and the Company is confident of driving sustainable growth in the future. It is holding a strong and stable order book of ₹ 1,554 crore, which ensures revenue visibility for the short and medium term. It is executing the current order in fast-track mode to maintain a healthy execution of the current pipeline.

The Company received its first set of formal orders for the supply of 5G electric products in the current year including cables to the top telecom companies. The growth outlook for this segment looks promising and the Company anticipates an additional ~ ₹ 150 Cr+ business in the near to medium term from this segment.

The 'Metering & Systems' segment will be the driving segment. The segment received strong traction in FY 2022-23 and has good enquiries in the pipeline. Smart meter will be the leading player in the growth building story of the HPL. Being a leading player with a successful track record of supplying meters over the last 2 decades, HPL is well-positioned to capitalise on the smart meter opportunity and is receiving good traction from customers. The current meter order book has more than 75% Smart Meters and it is expected that the share of Smart Meters will rise further. Smart Meters attract higher realisations, thereby increasing revenue and enhancing profitability.

Current Order Book:

Current Order Book (net of GST) at ₹ 1,554 crore

The Metering & Systems segment contributes 82% and the Consumer and Industrial segment contributes 18% of the current order book.

Growth Strategies

- **Capitalise on the 'Smart Meter Opportunity':** As a leading electric meter manufacturer, HPL commands a market share of ~20% in the domestic meters market with an installed capacity of 1.1 crore meters per year. The enquiry base for Metering tenders is at a healthy level as tenders amounting to ~ ₹ 10,000 crore + have been floated or are expected to be floated in the near term. The Company is in a strong position to capitalise on the Smart Meter opportunity.

- **Driving healthy growth in the 'Consumer' Business:** The Company is focussed to drive healthy growth in the Consumer business by using a 3-pronged approach, enhancing distribution reach and relations, undertaking brand-building initiatives and continuous product development and innovation. Since the Consumer business has a shorter working capital cycle of ~3 months, higher share from this segment will lead to higher ROCE and free cash flow.

- **Sectoral opportunities to accelerate growth momentum:** Positive policy initiatives and favourable industry outlook are expected to boost demand for HPL's products, especially for switchgears and meters. Indian switchgear market is projected to grow at 6.84% CAGR during 2023-28. Indian LED lighting market is projected to grow at 23.38% CAGR during 2023-2028. The Indian wires & cables market is expected to grow at 12% CAGR during 2021-2026. The Company is focussed to deploy efforts towards benefiting from the exponential opportunities in these segments.

- **Exports:** With its presence in 42+ countries across the globe, the Company continues to see good growth in Export orders. It targets to further expand its global footprint. HPL's LV switchgear testing laboratory in Jabli, Himachal Pradesh is accredited with IECEE certification for independent testing of MCB & RCCB for KEMA and CB certification from DEKRA, Netherlands. These test certifications enable HPL's product access to new 53 countries. Global players are evaluating viable alternative manufacturing countries like India to source their requirements for switchgear and other related products, thereby improving export opportunities for Indian players.

SWOT Analysis

Strengths

- Market leader in electric meters and on-load change over switches with strict entry barriers

- 45+ year old established brand with strong recall across various segments

- Rich experience in the electrical industry with strong R&D and manufacturing capabilities

- Senior management team with 25+ years of experience and strong pre-qualification credentials creating high benchmarks

- Pan-India presence with established relationships with institutional customers, power utilities and governmental agencies across India

- Established presence in technologically advanced segments like Metering and Switchgear businesses

- Robust net worth and healthy capital structure

Weaknesses

- Working capital intensive operations

- Lower advertising spends

- Susceptibility to tender-based operations

Opportunities

- Government's thrust for infrastructure development
- Urbanisation and expanding energy access to millions through schemes like Power for All, Smart Cities, etc.
- Rapid transition to smart metering and smart grid
- Introduction of wide-ranging reforms in the power sector
- Growth in Export orders
- Growing consumer spending and youth population

Threats

- Slow macro-economic growth
- Geopolitical tensions impacting exports
- Higher inflation
- Challenges arising due to the transition from conventional to smart meter
- Volatility in raw material prices
- Increasing competition in the industry
- Tightening financial conditions

RISK MANAGEMENT

HPL has a structured and comprehensive Enterprise-wide Risk Management (ERM) framework in place for the timely identification, assessment and mitigation of key business risks. The Risk Management Committee ensures that the entire risk mitigation process is streamlined at the execution level at various stages to overcome adverse situations and ensure smooth business execution. Key risks associated with the business and its mitigation strategies are mentioned below:

Macro-economic risk

The global economic slowdown and fear of global recession would directly and indirectly impact all the sectors in India including the power sector, resulting in demand compression and lower revenue for the Company. It may also impact the Company's export business.

Mitigation

The Company continues to focus on exploring new geographies through brand building, network expansion and product development initiatives. Its strong focus on R&D and a proven track record of product innovation enables the Company to develop products catering to various segments and help it to stay afloat during uncertain times.

Policy change risk

Adverse movements or changes in policy regulations and government legislations may critically expose the Company's business to risks and may impact its financial health.

Mitigation

The Company has diversified into various sectors and business segments and launches products supported by strong R&D and fair business practices. It closely monitors any change in applicable laws and regulations and ensures readiness to comply within the stipulated timeframe.

Raw material risk

Fluctuations in the prices of raw materials or unforeseen disruption in the procurement of raw materials on time may significantly impact the Company's manufacturing cost, further resulting in the inability to supply the products to customers at competitive prices.

Mitigation

The Company maintains optimal inventory level at all times to avoid interruptions in operations. It engages in long-term favourable contracts and maintains long-standing relationships with suppliers to protect revenue and margins. Further, efficient production forecasting based on their experience protects against raw material risk.

Exchange rate risk

HPL is exposed to foreign exchange fluctuation risk as it imports some of the key raw materials and exports final products. Volatile exchange rates may result in lower realisations and impact the margins and profitability of the Company.

Mitigation

The Company closely monitors the movements in currency exchange rates and modifies its order book correspondingly. It follows a robust hedging policy to minimise the impact of short-term adverse movements in currency on the business and conducts proper sensitivity analysis before taking borrowing decisions.

Concentration risk

Overdependence on few clients and changes in supplier preference by the clients may pose a risk to the Company's business.

Mitigation

Established pan-India network across diverse business segments insulates the Company from client concentration risks. Moreover, a well-diversified product portfolio catering to varied market segments ensures steady cash flow.

Geopolitical risk

The geopolitical turmoil between different geographies can impact the Company's export business.

Mitigation

HPL has a global presence in over 42 countries. It regularly assesses the geographical risks and feasibility of operating in a particular country or region through extensive market research to ensure low impairment risk. The Company monitors its cash flows and implements calculative decisions on capex and undertakes extensive analysis before taking decisions on investments. It undertakes lean cost structures policy to manage adverse situations.

INTERNAL CONTROLS

The Company has an efficient and structured internal control mechanism commensurate with the size and nature of its business. It follows stringent Standard Operating Procedures (SOPs), policies and guidelines to prohibit the assets from unauthorised use and ensure compliance with applicable regulations and policies. The Company has a robust mechanism in place to monitor the internal controls. Self-assessment exercises are regularly carried out to ensure strict adherence to the regulatory framework. It also ensures safeguarding of data with a Code of Conduct policy for employees. The Company promotes the highest ethical standards and ensures that the work culture does not conflict with business interests. Self-monitoring mechanisms are devised to maintain the efficiency of business operations and to monitor fraudulent conduct. The Company's internal audit team independently reviews the adequacy and effectiveness of the internal controls and strengthens the control measures and its observations and recommendations are reviewed by the management, which takes appropriate corrective measures as deemed fit.

HUMAN RESOURCES

The Company considers its employees as the most important asset and integral to its growth and business sustainability. It promotes a safe and conducive work environment, inclusive growth, equal opportunities and competitiveness and aligns employees' goals with the organisation's growth vision. The Company believes in hiring new talents and encourages them to grow both at personal and professional levels. It regularly conducts training programmes for the enhancement of the skills and capabilities of its employees. With its in-house team of over 100 R&D professionals, HPL is optimistic to drive healthy growth of the business in the future. It continues to nurture a culture that values meritocracy and motivates employees by conducting various recreational activities and reward and recognition programmes. Inspired by the Company's values of meritocracy, entrepreneurship, and innovation along with core tenets of open communication, transparency, and agility, its talented employees are always on a quest to take the Company to greater heights. The Company's total employee strength stood at 1,165 as on 31st March 2023.

CAUTIONARY STATEMENT

The Management Discussion and Analysis may contain certain statements describing the Company's objectives, goals, projections, estimates and expectations which may be 'forward-looking statements' within the meaning of applicable laws and regulations and are based on informed judgements and estimates. Actual results may differ materially from those expressed or implied. These forward-looking statements are subject to certain risks and uncertainties, including but limited to, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations and policies, tax laws, raw material availability and prices, competitive pressures, and other incidental factors.

DIRECTOR'S REPORT

Dear Members

The Directors have pleasure in presenting 31st Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2023.

1. Financial Highlights

The Company's financial performance for the year ended 31st March, 2023 alongwith previous year's figures is summarized below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	**2021-22**	**2022-23**	**2021-22**
Revenue from Operations	121486.69	1,00,427.98	126220.87	101395.47
Other Income	322.03	352.46	356.31	419.76
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	14862.69	11901.84	16043.1	12932.66
Less: Finance Cost	7090.89	6411.94	7537.91	6831.53
Less: Depreciation and amortization expenses	3496.42	4403.28	3836.41	4707.65
Profit before Exceptional items and Tax	4275.38	1086.62	4668.78	1393.48
Profit before tax	**4275.38**	**1086.62**	**4668.78**	**1393.48**
Less: Tax Expenses	1499.65	374.67	1643.89	613.02
Profit for the year	**2775.73**	**711.95**	**3024.89**	**780.46**
Other comprehensive income for the year, net of tax	(12.44)	(60.22)	(18.12)	(60.32)
Total comprehensive income for the year, net of tax	**2763.59**	**651.73**	**3006.77**	**720.14**
Profit for the year attributable to				
Equity holders of the parent Company	-	-	3017.79	777.31
Non-controlling interest	-	-	7.10	3.15
Total comprehensive income for the year attributable to				
Equity holders of the parent Company	-	-	2999.84	716.99
Non-controlling interest	-	-	6.93	3.15
Earnings per Share (in Rs) Not Annualised				
Basis (Rs)	4.32	1.11	4.69	1.21
Diluted (Rs)	4.32	1.11	4.69	1.21

2. State of Company's Affairs

The Indian economy is relatively insulated from global spillovers and continues to be among the fastest growing economies in the world. India's real GDP grew by 7.2% in FY 2022-23 as against 9.1% in FY 2021-22 and reflects robust domestic consumption and lesser dependence on global demand. Despite the weak external demand, the merchandise exports registered healthy growth.

HPL registered strong performance in FY 2022-23 led by robust growth in the Metering & Systems segment and improvement in ROCE. The Company recorded robust double-digit growth as revenue surged by 24.48% in FY 2022-23 to reach ₹ 1,262 crore as against ₹ 1,014 crore in FY 2021-22. EBITDA registered a sharp increase of 25.36% and reached ₹ 156.9 crore in FY 2022-23 as against ₹ 125 crore the previous year.

HPL maintained its strong momentum gained from FY22 onwards and delivered the highest quarterly revenue at Rs.362.75 Crores in Q4 FY23 with healthy performance primarily in 'Metering & Solutions' segment.

The 'Metering & Solutions' segment posted a revenue of Rs.670.02 Crores in FY23 as against Rs.444.11 Cr in FY22, thereby recording annual growth of 50.87%. The Company is in strong position to capitalize on the Smart Meter opportunity. The Company expects good traction in the Meter business in FY24 as tenders for large number of Smart Meters have been floated and further expected to be floated in near term. With a focused thrust on the latest R&D, we are continuously strengthening our smart meter technological base targeting to be the market leaders in the smart meter segment.

The 'Consumer & Industrial' Segment recorded revenue of Rs.592.18 crores in FY23 registering a growth of 3.9%. The Company is focused to drive healthy growth in the Consumer business by using a 3-pronged approach, enhancing distribution reach and relations, undertaking brand-building initiatives and continuous product development and innovation. HPL is confident about the long-term growth trajectory of the Consumer segment driven by robust domestic consumption, abating of inflation, technology-enabled development, export growth and revival in credit growth among others. Additionally, increased capital expenditure on infrastructure and the growth enhancing policies will support future growth of this segment.

The Company's order book stands at Rs.1554 Crores* ensuring revenue visibility for the current year. The Metering & Solutions Segment contributes 82% and the Consumer & Industrial Segment contributes 18% of the order book value.

HPL is looking to capitalise for future revenue growth in exports. We are happy to disclose that the wide product range of HPL backed by world-class in-house R&D capabilities will help to gain growth in exports.

We are currently catering to 42+ countries for exports. HPL's testing lab for LED lighting was certified by National Accreditation Board for Testing and Calibration Laboratories (NABL) for independent testing of LED lighting. Our LV switchgear testing laboratory in Jabli, Himachal Pradesh accredited with IECEE certification for independent testing of MCB & RCCB for KEMA and CB certification from DEKRA, Netherlands. These certifications enable HPL access to the new 53 countries.

Looking beyond the short-term challenges, the Company is eyeing huge opportunities in the smart metering and consumer segment. We are extremely positive about the opportunities in the smart metering space as both the public and private power distribution companies increasingly shift focus towards installing smart meters to replace conventional meters.

HPL is armed with a diverse product portfolio, state-of-the-art technology and capacity for tapping the opportunities in the industry.

The Company continues to focus on widening and strengthening its touch points and distributor base as it remains positive on the growth trajectory of the consumer segment. Overall, HPL is confident of growing and creating sustainable value for its stakeholders.

Note: *Order Book Size is as on March 31, 2023

3. Performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company

As on 31st March, 2023, the company is having only one subsidiary namely Himachal Energy Private Limited and two Joint Ventures (JVs) namely HPL Electric & Power Pvt. Ltd. – Shriji Designs (JV) and HPL Electric & Power Pvt. Ltd. – Trimurthi Hitech Co. Pvt. Ltd. - Shriji Designs (JV). These JVs are established as Association of Person (AOP) and not registered under the Companies Act, 2013 and accordingly are not Associate Companies as per section 2(6) of the Companies Act, 2013.

Himachal Energy Private Limited is engaged in the manufacturing of energy saving meters and other related products. The Gross Revenue of the Company for the FY 2023 stood at Rs. 10742.09 lakhs (P.Y. Rs. 8133.58 lakhs). Profit after tax for the year stood at Rs. 249.21 lakhs (P.Y. Rs. 110.67 lakhs).

4. Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year

During the Financial Year ended 31st March, 2023, no company became or ceased to be a subsidiary of the Company or Joint Venture or Associate Company.

5. Consolidated Financial Statement

The statement (in prescribed Form AOC-1) as required under Section 129 of the Companies Act, 2013, in respect of the Subsidiaries and Associate companies of the Company is annexed as **Annexure I** and forms an integral part of this Report.

The consolidated financial statements of the Company & its subsidiary/ associate companies, as mentioned in Form AOC-1, for the year ended 31st March 2023, prepared in accordance with Accounting Standard (IND AS-110) "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and Financial Statements.

The Financial Statements of the subsidiary company and the related detailed information (as per Section 129 of the Companies Act, 2013) will be made available to the shareholders of the Company and subsidiary company seeking such information. The financial statements of the subsidiary company will also be kept for inspection by any shareholder at Company's Corporate Office/ Registered Office and also that of the subsidiary. The Company has also uploaded the Financial Statements of subsidiary company on its website i.e. www.hplindia.com.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

There have been no material change and commitment affecting the financial position of the Company between the end of the financial year and date of this report.

7. Change in the nature of business, if any

There was no change in the nature of business of the Company during the financial year ended 31st March, 2023.

8. Reserves

During the period under report, the company do not propose to transfer any amount to the General Reserve.

9. Dividend

The Board of Directors in its meeting held on 29th May, 2023 recommended a final dividend of Rs. 1 per equity share of Rs. 10 face value (10%) for the financial year ended 31st March, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on 23rd September, 2023 the record date fixed for this purpose.

10. Public deposits

During the period under report, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

11. Details of Directors or Key Managerial Personnel including those who were appointed or have resigned during the year

During the financial year 2022-23, no changes took place in the composition of the Board of Directors of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Gautam Seth (DIN:00203405), Jt. Managing Director & CFO of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

Brief details of the director being recommended for appointment / reappointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards have been furnished in the Notice dated 9th August, 2023 convening the 31st Annual General Meeting.

12. Declaration by Independent Director(s) and reappointment, if any

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations 2015. There has been no change in circumstances affecting the status of Independence of Independent directors.

13. Number of meetings of the Board

During the year under report, 5 (Five) meetings of the Board were held, the details of which forms part of the Corporate Governance Report.

14. Formal Annual Evaluation of the Performance of the Board, its Committees and of Individual directors

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Nomination and remuneration committee has laid down the manner for effective evaluation of performance of Board, its committees and individual directors and accordingly the Board of directors has carried out an annual evaluation of its own performance, board committees and individual directors.

While evaluating the performance of Board, the Board had considered the composition and structure of the Board in terms of size, experience, diversity, effectiveness of the board process, dissemination of information etc. The Board gives effective advice and assistance for achieving the company's mission and vision.

The performance of the committees was evaluated by the board taking into consideration the factors such as composition of the committee; effectiveness of committee meetings; independence of the committee from the Board and contribution in decision making by the Board etc. It was found that their performance and functioning was within the mandate of the Board besides meeting the expectations of the Board.

The performance evaluation of all the individual directors was carried out after taking into account their individual contribution to the board and committee meetings such as preparedness on the issues to be discussed, effective contribution in the discussion on the various agenda items, whether the independent directors fulfill the independence criteria as specified in the Companies Act, 2013 and SEBI Listing Regulations 2015 and their independence from the management. Therefore, the outcome of the performance evaluation for the period under report, was satisfactory and reflects how well the directors, board and committees are carrying their respective activities.

The independent directors in its separate meeting held on 14th February, 2023 without the attendance of non-independent directors and members of management, reviewed -

(a) the performance of non-independent directors and the Board as a whole;

(b) the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

15. Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other employees of the Company

As per the provisions of Section 178 of the Companies Act, 2013, the Board of Directors approved a policy which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel and other employees of the Company.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Directors, Key Managerial Personnel, and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management while making selection of the candidates. The above policy is available on the website of the Company at https://www.hplindia.com/photos/investor-pdf/Nomination%20and%20Remun eration%20Policy.pdf

16. Annual Return

Pursuant to Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at https://www.hplindia.com/photos/investor-pdf/Draft%20Annual%20Return%202022-23.pdf.

17. Audit Committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report which is a part of this Annual Report.

18. Vigil mechanism/ Whistle Blower Policy

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations 2015, the Company has established a robust vigil Mechanism for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. The Vigil Mechanism Policy provides that the company investigates in such incidents, when reported, in an impartial manner and shall take appropriate action as and when required to do so. The policy also provides the mechanism for adequate safeguard against the victimization of Director(s)/employees who avail the mechanism and also provide for the direct access to the Chairman of the Audit Committee in exceptional cases. A vigil Mechanism policy is available on the website of the company at https://www.hplindia.com/photos/investor-pdf/Vigil-Mechanism-Policy.pdf

19. Risk Management Policy

The Company has in place a robust risk management policy to anticipate, identify, measure, manage, mitigate, monitor and report the risk and uncertainties that may have an impact to achieve the business objective of the company. The Company recognizes these risks which need to be managed and mitigated to protect the interest of the stakeholders, to achieve business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. The Company believes that managing risks helps in maximizing returns.

An extensive program of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices.

20. Policy on Material Subsidiary

The Company has framed a Policy on Material Subsidiary under Regulations 16(c) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended form time to time, which is available on the website of the company at https://www.hplindia.com/photos/investor-pdf/Policy-for-Determing-Material-Subsidiary.Pdf

21. Corporate Social Responsibility (CSR)

It is the responsibility of the corporations operating within society to contribute towards social and environmental development that will help in creating a positive impact on society at large.

The company discharges its CSR obligations either directly or through publicly registered Implementing Agencies towards supporting projects in the areas as specified in the schedule VII of the Companies Act, 2013 for promoting educational activities among children, women, elderly and differently abled.

The Board of Directors approved the CSR Policy of the Company as formulated and recommended by the CSR Committee, which is available on the website of the Company at https://www.hplindia.com/photos/investor-pdf/CSR-Policy.pdf. A detailed report on Corporate Social Responsibility as per the provisions of Companies Act, 2013 is annexed as **Annexure II.**

22. Particulars of Contracts or Arrangements with related Parties as per Section 188 of the Companies Act, 2013

All the transactions entered into with related parties as defined under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended 31st March, 2023 were in the ordinary course of business and on arm's length basis. As per the provisions of Section 177 of the Companies Act, 2013, and Rules made thereunder read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had obtained the necessary prior approvals of the Audit Committee for all the related party transactions. Further, there were no material related party transactions with promoters & promoter's group, directors or Key Management Personnel during the year under report.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergise with the Company's operations. The Related Party Transactions are available at Note no. 42 of the Standalone Financial Statements.

The Company has framed a Policy on materiality of Related Party Transactions and on dealing with related party Transactions in accordance with SEBI Listing Regulations 2015 and Companies Act, 2013, as amended. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is available on the website of the company at https://www.hplindia.com/photos/investor-pdf/Related-Party-Transactions-Policy.pdf and the Details of Related Party Transactions are annexed as per Form AOC-2 in **Annexure III.**

23. Auditors

A) Statutory Auditors

As per the provisions of Section 139(1) of the Companies Act, 2013, the Company had appointed M/s. Sakshi & Associates , Chartered Accountants (Regn. No. 025099N) as Statutory Auditors for a period of 5 (Five) years in the Annual General Meeting of the company held on 30th September 2022.

Statutory Auditors Report

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditors' Report are self-explanatory.

There was no instance of fraud during the year under report, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

B) Cost Auditors

As per Section 148 of the Companies Act, 2013, the company is required to have the audit of its cost records conducted by a Cost Accountant in practice. Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions of the Act, as amended from time to time, the company is required to maintain the cost records as specified by the Central Government and accordingly such accounts and records were made and maintained for the financial year ended 31st March, 2023.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed M/s. M.K Singhal & Co, Cost Accountants, (Firm Registration No. 00074) of the Company to conduct the audit of cost records of its certain products specified by the Central Government under the Companies Act 2013 and Rules made thereunder. M/s. M.K Singhal & Co, Cost Accountants, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2023-24.

The remuneration payable to the Cost Auditor of the Company has been proposed for the ratification by the members of the Company and shall form part of the notice of the 31st Annual General Meeting.

The company has received the Cost Audit Report of the company for the financial year ended 31st March, 2022 and the same was filed in XBRL mode within due date.

C) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made there under M/s. AVA Associates, Company Secretaries were re-appointed as Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2023.

Secretarial Audit Report

The Secretarial Audit Report for the financial year ended 31st March, 2023 as submitted by Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure IV.**

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

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2023 on compliance of all applicable SEBI Listing Regulations 2015 and circulars/ guidelines issued thereunder, was obtained from M/s AVA Associates, Secretarial Auditors, and submitted to both the stock exchanges. The Secretarial Compliance Report for the financial year ended 31st March, 2023 is available on the website of the Company at https://www.hplindia.com/photos/investor-pdf/Secretarial%20Compliance%20Report%20FY%202023.pdf

24. Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013

The investment made by the company in the subsidiary company in the form of equity share capital is disclosed in the notes to the Audited Financial Statements forming part of this Annual Report. The company has not given any loans, guarantees or provided any security in connection with a loan to any body corporate or person as per section 186 of the Companies Act, 2013 during the period under report.

25. Particulars of remuneration of Directors/ KMP/ Employees

The information required to be disclosed in the Director's Report pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure V** to this report.

26. Research and Development

Driven by the continuous thrust of innovation, HPL have been always committed to deliver next level of products and quality to its customers. It has undertaken a lot of initiatives to accelerate the customer satisfaction curve in the upward direction. R&D Centers and Testing Laboratories have always been a prime chunk of investment to become as par with emerging technologies and customer expectations.

All the NABL accredited Testing Laboratories and R&D centers at HPL are dedicated to develop world-class products, meeting stringent Quality standards and delivering customer delight. Teams have been focused to meet the growing market challenges in the field of Switchgear, Lighting, Wiring Accessories and Metering etc with the early adoption of thriving technologies for our Products and processes.

Our R&D centers are recognized by DSIR (Department of Scientific and Industrial Research). Our Gurgaon R&D center is certified for CMMi V2.0 Maturity Level 3 for design and development of state of art Smart meters, high end energy meters, Pre-paid energy meters, panel meters and centralized system for Street light management system. Our R&D-Jabli center is recognized by NABL for MCB, RCCB Products testing.

Our MCB & RCCB Products are tested as per IEC Standards. We have approval from Dekra –Netherlands for CB Certificate and KEMA which will be a global gateway for International Markets. Recently, the Kundli plant laboratory has been NABL accredited, which shows HPL's efforts in further strengthening its R&D work in the field of Switchgear & Lighting products.

Also, we are supporting policies of GOI by design & launch of cutting edge innovative solutions; DC MCB, Smart Prepaid meters to support smart meter rollout policy. HPL offers dedicated range of products like ACBs, Isolators, MCCBs, Fuses, MCBs etc to support Renewable energy generation (e.g. Solar) policy, indigenous technology & product development for 'Make in India' drive.

As a leading organization in Metering, Switchgears, Wiring Accessories segment, we have been participating at various forums like BIS, IEEMA in formation, update & revision of standards for metering products.

The R&D units have been continuously keeping shoulder to the wheel to improve the reliability and life cycle of products being manufactured at our ISO 9001:2015 certified plants. Being a responsible contributor towards Health, safety and environment, HPL offers a broad basket of product with "CE" Certification. Moreover, all the plants are RoHS complaint to meet the demands of the new era of business, globally.

All R&D units are determined to timely delivery of new products under development with the objective of Meet-Beat-Supersede the competition in the market. It works on a cohesive approach to narrow down the gaps in process from concept to customer. This is being achieved by detailed Electronic product design, 3D modeling, Software Simulations, production process centric prototyping and Prototype validation before commencing tool & complete product manufacturing. Thereby, increasing the efficiency of the organization by cutting down the iteration time and cost during development process.

HPL is continuously working on multiple smart engineering electrical products to meet the future market demands. LEDs being called the fourth generation light source, HPL is keeping itself abreast with innovative lighting products. HPL have been continuously inclined towards achieving the milestones for innovative lighting products, Surge Protection Device, ACCL, RCBO, Higher Rating MCB etc. Multidirectional steps are being taken towards adoption of emerging trends like Smart Switchgears, Smart meters, Industry-4.0 enabled manufacturing facilities, Eco friendly products and packing, Green and sustainable initiatives etc.

27. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure VI** to this report.

28. Corporate Governance Report

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from M/s. Sakshi & Associates, Statutory Auditors of the Company confirming compliance of conditions of corporate governance is also annexed to the Corporate Governance Report.

29. Directors' Responsibility Statement

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

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

The Company has in place robust policy on prevention, prohibition and redressal of complaints relating to sexual harassment at workplace which is applicable to the company as per the provisions of Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013.

During the year under report, the company has not received any complaint pertaining to sexual harassment.

31. Significant/material orders passed by the regulators

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

32. Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

33. Internal Financial Control Systems and their adequacy

The Company has adopted policies and procedures for effective internal controls system. This ensures that all transactions are authorized, recorded & timely preparation of reliable financial information, the safeguarding of its assets, the prevention and detection of frauds and errors. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

34. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under report, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also presented in a separate section forming part of this Annual Report.

35. CEO and CFO Certificate

CEO and CFO Certificate as prescribed under Schedule- II Part B of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report forming part of this Annual Report.

36. Disclosure of commission paid to Managing Director or Whole time directors

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

37. Acknowledgement

The Board of Directors acknowledges the continued co-operation assistance and support the Company has received from various Government Departments, Banks/ financial Institutions and shareholders. The Board also places on record its appreciation for the sincere services rendered by employees of the company at all levels and the support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Date : 9th August, 2023
Place : Noida

ANNEXURE-I

Form AOC-1

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

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

Part "A": Subsidiaries

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

(Rs. In Crores)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Himachal Energy Private Limited
2.	The date since when subsidiary was acquired	09.05.2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2023
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
5.	Share capital	15.44
6.	Reserves & surplus	48.59
7.	Total assets	152.39
8.	Total Liabilities	88.36
9.	Investments	Nil
10.	Turnover	107.42
11.	Profit before taxation	3.93
12.	Provision for taxation	1.44
13.	Profit after taxation	2.49
14.	Proposed Dividend	-
15.	% of shareholding	97.15%

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

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

(Amount in Rs.)

	Name of Associates/Joint Ventures	HPL-Shriji Designs (JV)	HPL-Shriji-Trimurthi Hitech Company Pvt.Ltd. (JV)
1.	Latest audited Balance Sheet Date	31.03.2023	31.03.2023
2.	Date on which the Associate or Joint Venture was associated or Acquired	30.10.2010	22.06.2011
3.	Shares of Associate/Joint Ventures held by the company on the year end		
	No.	N.A.	N.A.
	Amount of Investment in Associates/Joint Venture (Rs.)	6889523	13246319
	Extend of Holding%	97%	94%
4.	Description of how there is significant influence	Company is holding 97% of the ownership interest	Company is holding 94% of the ownership interest
5.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet(Rs.)	(45,21,943)	(58,60,280)

7.	Profit/Loss for the year(Rs.)		
i.	Considered in Consolidation	(5,000)	(5,000)
ii.	Not Considered in Consolidation	-	-

1. Names of associates or Joint Ventures which are get to commence operation : None

2. Names of associates or Joint Ventures which have been liquidated or sold during the year: None

For and on Behalf of the Board of Directors

Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Rishi Seth
Managing Director
DIN: 00203469

Gautam Seth
Jt. Managing Director
& Chief Financial Officer
M. No. 094003

Vivek Kumar
Company Secretary
M. No. A18491

Date : 9th August, 2023
Place : Noida

Annexure II

ANNUAL REPORT ON CSR PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. Brief Outline on CSR Policy of the Company

As per the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at www.hplindia.com. The company discharges its CSR obligations as per Schedule VII to the Companies Act, 2013 directly and/or through implementing agencies appointed by the Company.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Lalit Seth	Chairman	1	1
2.	Mr. Rishi Seth	Member	1	1
3.	Dr. Rashmi Vij	Member	1	1

3. Provide the web-link where the composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

CSR Committee: https://www.hplindia.com/images/Composition-of-Board-and-Committees-09-03-2022.pdf

CSR Policy: https://www.hplindia.com/photos/investor-pdf/CSR-Policy.pdf

CSR Projects: https://www.hplindia.com/photos/investor-pdf/CSR-Projects.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable

Not Applicable for Financial year 2022-23

5. (a) Average net profit of the company as per section 135(5)= **Rs. 12.16 crores**

(b) Two percent of average net profit of the company as per section 135(5)= **Rs. 24.32 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. = **NIL**

(d) Amount required to be set off for the financial year, if any.= **Rs. 0.40 Lakhs**

(e) Total CSR obligation for the financial year (5b+5c- 5d). = **Rs. 23.92 Lakhs**

6. (a) CSR amount spent on CSR Project (both Ongoing Project and other than Ongoing Project) : **Rs. 27.00 Lakhs**

(b) Amount spent in Administrative Overheads= **NIL**

(c) Amount spent on Impact Assessment, if applicable= **Not Applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]= **Rs. 27.00 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 27.00 Lakhs	-	-	-	-	-

(f) Excess Amount for Set-off, if any

Sl No.	Particular	Amount (In Rs.)
(1)	(2)	(3)
(i)	Two Percent of average net profit of the company as per Section 135 (5)	24,32,639
(ii)	Total amount spent for the Financial Year (including amount required to be set off for the financial year as referred in point no. 5(d) above)	27,40,129
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,07,490
(iv)	Surplus arising out of the projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,07,490

7. Details of Unspent CSR amount for the preceding three Financial Years: NA

(1) Sl. No.	(2) Preceding Financial Year(s)	(3) Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	(4) Balance Amount in Unspent CSR Account under Section 135(6) (in Rs.)	(5) Amount Spent in the Financial Year (in Rs.)	(6) Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		(7) Amount remaining to be spent in succeeding Financial Years (in Rs.)	(8) Deficiency, if Any
					Amount (In Rs.)	Date of Transfer		
(1)	FY-1							
(2)	FY-2							
(3)	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **NO**

If Yes, enter the No. (amount) of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of Creation	Amount of CSR Spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	CSR Registration Number, if applicable

(All the fields should be captured as appearing in the revenue record, flot no, house no, Municipal office/Municipal Corporation/Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per of Section 135 (5) - NA

Rishi Seth
Managing Director
DIN: 00203469

Lalit Seth
Chairman, CSR Committee
DIN: 00312007

Date : 9th August, 2023

Place : Noida

ANNEXURE-III

FORM NO. AOC -2

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

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

1. **Details of contracts or arrangements or transactions not at Arm's length basis: NIL**
   (a) Name(s) of the related party and nature of relationship: N.A.

   (b) Nature of contracts/ arrangements/ transactions: N.A.

   (c) Duration of the contracts/ arrangements/ transactions: N.A.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

   (e) Justification for entering into such contracts or arrangements or transactions: N.A.

   (f) Date(s) of approval by the Board: N.A.

   (g) Amount paid as advances, if any: N.A.

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.

2. **Details of material contracts or arrangement or transactions at arm's length basis: NIL**
   During the year under review, the Company has not entered into any material Contracts or arrangements, hence the below disclosure is not applicable.
   (a) Name(s) of the related party and nature of relationship: N.A.

   (b) Nature of contracts/ arrangements/ transactions: N.A.

   (c) Duration of the contracts/ arrangements/ transactions: N.A

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

   (e) Date(s) of approval by the Board, if any: N.A

   (f) Amount paid as advances, if any: N.A.

For and on Behalf of the Board

Mr. Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Date : 9th August, 2023
Place : Noida

ANNEXURE-IV

FORM NO MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

To,
The Members
HPL Electric & Power Limited
1/20, Asaf Ali Road,
New Delhi -110002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HPL Electric & Power Limited** (hereinafter called the "Company") (CIN: L74899DL1992PLC048945). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by **HPL Electric & Power Limited** for the financial year ended on 31st March 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder to the extent and notified and came into force;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the company during the Audit Period)

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,2021; (Not applicable to the company during the Audit Period)

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the Audit Period)

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and (Not applicable to the company during the Audit Period)

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j) Other laws as are applicable to the Company as per representations made by the Company

   a) Labour Laws

   b) Environmental Laws

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

(i) **Secretarial Standards** issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

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

We report that, during the year under review:

1. The Status of the Company during the financial year has been that of a Listed Public Company, listed at the BSE Limited (BSE), The National Stock Exchange of India Limited (NSE).

2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

4. All decisions at the Board Meeting and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committees of the Board as the case may be.

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

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

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

For AVA Associates
Company Secretaries

CS Vinod Kumar Gupta
FCS: 3648; CP: 2148
UDIN : F003648E000763506
Peer Review Certificate No.: 1478/2021

Date : 8th August, 2023
Place : Delhi

Annexure A

Responsibility Statement

To,
The Members
HPL Electric & Power Limited
1/20, Asaf Ali Road,
New Delhi -110002

Our report is to be read along with the following:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For AVA Associates
Company Secretaries

CS Vinod Kumar Gupta
FCS: 3648; CP: 2148
UDIN : F003648E000763506
Peer Review Certificate No.: 1478/2021

Date : 8th August, 2023
Place : Delhi

ANNEXURE-V

A. DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each Director to the median remuneration of employees of the company for the financial year	1. Mr. Lalit Seth, Chairman and Whole-time Director-66:1 2. Mr. Rishi Seth, Managing Director-27:1 3. Mr. Gautam Seth, Jt. Managing Director-27:1
(ii)	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary, manager, if any, in the financial year	1. Mr. Lalit Seth, Chairman and Whole-time Director-NIL 2. Mr. Rishi Seth, Managing Director- NIL 3. Mr. Gautam Seth, Jt. Managing Director & CFO-NIL 4. Mr. Vivek Kumar, CS – 21%
(iii)	Percentage increase in the median remuneration of employees in the financial year	10%
(iv)	Number of permanent employees on the rolls of company	1165
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of Managerial Personnel-Nil Average increase in remuneration of employees other than the Managerial Personnel – 8.76%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.

B. STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Top 10 Persons:

Persons Employed for the full year ended 31st March, 2023 who were in receipt of the remuneration which in the aggregate was not less than Rs. 1,02,00,000/- p.a.

Employee Name Designation Gross Remuneration (Rs.) Qualification Total Experience in Years Date of Commencement of Employment Age in Years Last Employer & Designation Held

Mr. Lalit Seth Chairman and Whole-time Director 3,49,66,378 Undergraduate 53, 28.05.1992, 77; Mr. Rishi Seth Managing Director 1,50,46,600 B.com, 28 MBA 14.04.2000 52; Mr. Gautam Seth Joint Managing Director & CFO 1,50,46,600 B.com, CA 26 15.02.2008 51; Mr. G N Sharma Chief Vice President 1,11,00,012 Diploma in Mechanical Engineering 27 01.05.2011 62 Havells India Limited; Mr. C.R. Kundu Sr. VP Switchgear 91,96,032 Bachelor of Engineering (Electrical) 41 01.08.2017 66 BCH Electric Ltd; Mr. Devendra Vyas Assistant V.P R&D Meters 85,66,404 MBA Electronics Engineering 27 18.05.2020 48 Secure Meter Limited; Mr. Sundeep Tandon Sr. VP Business Development 60,94,536 BE in Electricals, PGDBM, MBA 35 03.12.2007 59 English Electrical Company of India Ltd, GRC ASTON; Mr. Niraj Tiwari Sr. VP (Trade Lighting & Wire Division) 59,20,008 PG Diploma in Business Development 26 03.03.2014

49 Philip India Ltd; Mr. Ghanshyam Verma Sr. General Manager (Automation & Quality) 54,93,204 B. Tech Electrical 33 12.10.2020 54 Genus Power Infrastructure Limited; Mr. Mahesh Sharma Assistant VP (Project) 42,32,316 PG Diploma – Operation, B-Tech 18 09.10.2017 41 Jaguar Overseas Limited.

Persons employed for part of the year ended 31st March, 2023 who were in receipt of the remuneration which in the aggregate was not less than Rs. 8,50,000/- p.m.

Employee Name Designation Gross Remuneration Qualification Total Experience in Years Tenure of Employment (Date of Commencement Date of Cessation) Age in Years Last Employer & Designation Held

NIL

Notes:

1. Gross Remuneration includes salary, allowances, contribution towards P.F. and perquisites.

2. The nature of employment is permanent in all the above cases.

3. Except Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth, none of the above employees hold more than 2% of the total paid up capital of the Company.

4. None of the employee is related to any director or manager of the Company except Mr. Rishi Seth and Mr. Gautam Seth, both being the sons of Mr. Lalit Seth, Chairman and Whole Time Director as per Section 2(77) of the Companies Act, 2013.

For and on Behalf of the Board

Date : 9th August, 2023
Place : Noida

Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Annexure VI

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

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

(A) Conservation of energy

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

Energy Conservation measures taken

HPL has been always focused for Energy conservation thereby reducing the effect of global warming. It has been our endeavor to adopt and implement new energy efficient technologies to conserve energy and keep the environment green. The company has aligned its goal with the Indian Government's National plan on Energy conservation to reduce the carbon footprint thus to save the planet earth. In the last few decades, we have seen alarming change in the climate conditions. As such, it has become the need of the hour to save energy as much as possible. The company has made a mandatory policy to use only energy efficient BEE star rated products in all the manufacturing units. It has taken several steps for conserving energy through various initiatives and is continuously working to improve energy conservation and utilization. Main focus has been to reduce the energy cost thereby minimizing the effect on the Environment. Innovative methods and various energy conservation measures have been implemented in all the plants and offices of HPL. Energy utilization cost of the company has come down in the last year compared to previous year's record. The company has already ventured into Solar projects since last 4 years and has started implementation of use of solar energy for all the plants in different stages. Continuous efforts are put on innovation of new products which are cost effective as well as energy efficient. Recently, the Kundli plant laboratory has been NABL accredited, which shows HPL's efforts in further strengthening its R&D work in the field of Switchgear & Lighting products.

HPL is contributing for Energy conservation by design, development and supply of LED based street lights, centralized street light management systems, Net Energy meter, Smart pre-paid energy meters for reducing energy usage, encouraging use of renewable power sources and reducing carbon footprint.

This would be a great effort in reducing the carbon footprint thereby conserving energy for the social good. Special efforts have been put on some specific energy conservation projects, which have been mentioned below:

Lighting:

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

a. For all lighting circuits, the Lighting load has been optimized. Natural light is used in as many places as possible to save energy. To make this effective signage with "Switch OFF when NOT in USE" are used at various electrical points.

b. All conventional Light fittings have been replaced with LED Light efficient fixtures at factory and office premises leading to savings in energy consumption.

c. LED tube light fittings are used in all the assembly sections & offices to conserve energy.

d. Almost 100% of conventional light fittings have been replaced with LED lighting fitting in all the plants.

Replacement of old equipment with new energy efficient equipment:

❖ Energy efficient AC, VFD motors & drives are being used.

❖ Solar LED lights along the compound walls of factories. These lights are fitted with dusk & dawn sensors to conserve energy.

❖ Higher lumen rated LED lighting being used.

❖ BEE star rated Air conditioning units are being used.

- ❖ All molding machines are connected with UPS to maintain continuous running leading to increase in productivity.
- ❖ Insulated heaters for Injection molding machines are being used to conserve energy.
- ❖ Hot runner molds are used in high volume items to conserve material, energy and increase productivity.
- ❖ Integral heating mechanism for Thermoset Moldings tools is in use to create better heating and improve product quality.
- ❖ Street lights (400watt) replaced with led street light. (90watt)
- ❖ Replacement of convectional light fitting with led light fitting is in progress.

Optimization of electrical equipment:

Power factor is being monitored on regular basis continuously to maintain in the range of 0.97- 0.99 against the minimum required standard of 0.95 as per Govt. Electricity consumption rules. Automatic Servo voltage stabilizer installed to provide constant voltage to machine. Hence reduces the break down and increase the efficiency of m/cs.

Impact:

All the various energy conservation methods have resulted in

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

Capital investment of energy conservation equipment:

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

B. Technology absorption

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

Efforts made toward the Technology absorption

Company is continuously spending money in R&D to meet the new challenges. Our R&D centres are approved by Department of science, technological & Industrial Research, Govt. of India (DSIR) as well as NABL accredited. Our Gurgaon R&D center is certified for CMMi V2.0 Maturity Level 3 for design and development of state of art Smart meters, high end energy meters, Pre-paid energy meters, panel meters and centralized system for Street light management system. As a process of technological development, company is continuously adopting & absorbing new technologies to develop products & upgradation of processes to meet the new challenges. Once the product or process is developed, the prototypes are built, followed by pilot development batch, which undergoes complete testing before proceeding for commercial production or implementation. HPL continuously works towards following activities for achieving the short term as well as long term business goals:-

- Continuous development of new products & process for improvement in business efficiency by reduction in cost, cycle time which leads to energy conservation also

- Development of Import substitution for products & material
- Value Engineering in products & process to reduce wastages
- Continuously absorb new technologies to improve the testing procedures for products, process & materials to enhance the quality of products, safety to persons concerned & be environment friendly
- Special focus on development of in-house products which are compatible to new technology, specially, interface with computers

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

- To keep a competitive edge in market place
- To keep a continuous check on costs & quality
- Meets voice of customer and to his satisfaction.
- Continuous introduction of new products.
- To enhance the HPL brand image to the next level.

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

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

The expenditure incurred on Research and Development:

During the year, your Company has made the total expenditure of Rs. 905.43 Lakhs towards Research & Development.

Foreign exchange earnings and Outgo

(Rupees in Lakhs)

	2022-23
Total Foreign Exchange Earned	4601.42
Total Foreign Exchange used	17653.27

For and on Behalf of the Board

Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Date : 9th August, 2023
Place : Noida

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, a report on Corporate Governance for the financial year ended March 31, 2023 presented below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder's value and discharge its social responsibility. Above all, it is a way of life, rather than merely a regulatory and legal compulsion.

Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

The Company adheres to compliance requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as regard to Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that the shareholders' long term interests are being served.

The Board of Directors consists of eminent persons with wide knowledge and experience in different fields including technical, commercial, finance, business administration etc., which not only bring wide range of expertise, but also impart desired level of independence to the Board and helps healthy deliberations at the board meetings to decide on various matters of the Company. The Board of Directors periodically reviews the compliance reports of all laws, rules, regulation applicable to the company.

2.1 Composition of the Board of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors (including one women independent director) to have a balanced Board Structure. The Chairman of the Board of Directors of the Company is an Executive Director and a Promoter. The composition of the board is in conformity with the Regulation 17 of SEBI Listing Regulation 2015 read with Section 149 and 152 of the Companies Act, 2013. As on 31st March, 2023, the Board of Directors comprised of six directors, out of which three are executive directors and three are Non-Executive-Independent director.

None of the Directors on the board holds directorships in more than ten public Companies and none of the directors on the board is a member of more than 10 committees or act as chairman of more than 5 committees across all the listed companies in which he is a director.

2.2. Meetings and Attendance of Directors

During the financial year 2022-23, 5 (Five) Board Meetings were held on 26th May, 2022, 9th August, 2022, 28th September, 2022, 11th November, 2022, and 14th February, 2023. The maximum interval between the two Board Meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and Regulation 17 (2) of the SEBI Listing Regulations 2015. The requisite quorum was present at all the aforesaid meetings.

Details regarding name and category of Directors, attendance of Directors at Board Meetings and the last Annual general meeting (AGM), number of other directorships and Committee positions held by them in companies are given below:

Name and Designation of the Director and DIN	Category	No. of Board Meetings attended (against 5 held during financial year 2022-23)	Attendance at the last AGM held on 30th September, 2022	No. of Directorship in other public Limited Companies (As on 31st March, 2023)	No. of Committee positions held in other Public Companies (As on 31st March, 2023)	
					Chairman	Member
Mr. Lalit Seth Chairman and Whole Time Director DIN: 00312007	Non-Independent/ Executive	5	Yes	2	0	0
Mr. Rishi Seth Managing Director DIN: 00203469	Non Independent/ Executive	3	Yes	2	0	0
Mr. Gautam Seth Joint Managing Director & CFO DIN: 00203405	Non-Independent/ Executive	5	Yes	2	0	0
Mr. Hargovind Sachdev DIN: 08105319	Independent/ Non Executive	5	Yes	1	1	1
Dr. Rashmi Vij DIN: 01103219	Independent/ Non Executive	5	Yes	0	0	0
Mr. Dhruv Goyal DIN: 06963262	Independent/ Non Executive	4	Yes	0	0	0

NOTES:

1. Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth belongs to the promoter and promoter group of the Company.

2. Other Directorship does not include, Directorship of Private Limited Companies, Foreign Companies and companies under section 8 of the Companies Act, 2013. Chairmanship/Membership of Board committees include only Audit Committee and Stakeholders' Relationship Committee.

3. None of the Directors of the Company is related inter-se, except Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth who are related in terms of Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

4. None of the Non- Executive Directors holds any shares in the company. The Company has not issued any convertible instrument.

5. None of the Director on the Board is a Director of any other listed entity except Mr. Hargovind Sachdev.

2.3 Skills/ Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's business:

The Company's Board comprises of qualified members who have requisite skills, competencies and expertise to discharge their duties as Company's directors and make effective contribution. The Nomination and Remuneration policy of Directors, KMPs and other employees of the company sets out the criteria for determining the qualifications and expertise of the director in order to have a diverse and competent Board.

The independent directors possess the desired skills, experience and knowledge in the fields of finance, law, management, sales, marketing, administration, corporate governance or other disciplines related to the company's business. The Independent Directors discharge their responsibilities with full impartiality as Independent directors.

The following matrix setting out the skills/expertise/competencies in the context of business of the company currently available with the Board is as follows:

Sl. No.	Name of the Director	Skill/expertise/competence
1	Mr. Lalit Seth	Leadership and overall corporate and general management
2	Mr. Rishi Seth	Commercial, operations and Legal
3	Mr. Gautam Seth	Sales & marketing, Finance, Corporate Governance
4	Mr. Dhruv Goyal	Commercial and Business Management
5	Dr. Rashmi Vij	Corporate Governance and General management
6	Mr. Hargovind Sachdev	Audit, banking, Finance Corporate Governance and Investor Protection

2.4 INDEPENDENT DIRECTORS

A. Familiarization Programmes

The Independent Directors are provided with necessary documents, information and policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business strategy and risks involved.

Quarterly updates on the Board Meetings regarding the relevant statutory, regulatory changes are regularly circulated to the Directors. Site visits to various plant locations are organized for the Independent Directors to enable them to understand and acquaint with the operations of the Company.

The details of such familiarisation programmes for Independent Directors are put up on the Company's website and can be accessed at https://www.hplindia.com/photos/investor-pdf/Familiarization%20Programme%202022-23.pdf

B. Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations 2015 and are Independent of the Management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2023-24, the Board hereby certify that all the Independent Directors appointed by the Company fulfils the conditions specified in SEBI Listing Regulations 2015, and are independent of the management.

C. Detailed reasons for the Resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons

During the period under report, none of the Independent Directors of the company resigned before the expiry of his/her tenure.

D. Separate Meeting of Independent Directors

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations 2015 and Schedule IV of the Companies Act 2013, separate meetings of the Independent Directors of the company are held every financial year, without the attendance of Non-Independent Directors and members of the management.

During the Financial year 2022-23, the Independent Directors met separately on 14th February, 2023, whereat the following items were discussed:

- Review the performance of non-independent directors and the board as a whole.
- Review the performance of the chairman of the company, taking into account the views of executive Directors and non-executive directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the board to effectively and reasonably perform their duties.

E. Company's Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

The full text of the Code is available on the website of Company under "Policies & Codes" in the Corporate Governance section and can be accessed at https: https://www.hplindia.com/photos/ investor-pdf/codeconduct.pdf

2.5 CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all the Board members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company at https://www.hplindia.com/photos/investor-pdf/CODE%20OF%20CONDUCT %20FOR%20BOARD%20OF%20DIRECTORS%20&%20SENIOR%20MANAGEMENT.pdf.

All Board members and Senior Management Personnel have, on 31st March, 2023, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director, forms part of this Report.

2.6 SUBSIDIARY COMPANIES

The Company does not have any "material unlisted subsidiary" as defined in the SEBI Listing Regulations. Accordingly, the requirement of appointing an Independent Director of the Company on the Board of the material unlisted subsidiary company given under Regulation 24 of the SEBI Listing Regulations does not apply.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary company, if any, are placed before the Board for review. Copies of Minutes of the Board and Committee Meeting(s) of the unlisted Subsidiary Companies are placed at the Board Meeting of the Company. The Unaudited Quarterly Financial Results and Audited Annual Financial Statements, along with the Limited Review Report and Audit Report respectively, thereon of Subsidiary Company are presented at the meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Company.

The Company does not have any material unlisted subsidiary' and the requirements of secretarial audit as specified in Regulation 24A of the SEBI Listing Regulations is not applicable. The Company's policy on material subsidiary is available on the Company's website and can be assessed at https://www.hplindia.com/photos/investor-pdf/Policy-for-Determing-Material-Subsidiary.pdf

3. BOARD COMMITTEES

3.1 Audit Committee

A. Composition and Attendance

The constitution of the Audit Committee is in conformance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations 2015, which comprises of three Directors with two Independent Directors forming majority. All the members of the Committee have adequate knowledge of financial and accounting matters. The Company Secretary acts as the Secretary to the Audit Committee.

During the Financial Year 2022-23, 5 (Five) Audit Committee meetings were held on 26th May, 2022, 9th August, 2022, 28th September, 2022, 11th November, 2022 and 14th February, 2023. The maximum gap between the two meetings did not exceed 120 days as prescribed under Regulation 18 of the SEBI Listing Regulations 2015.

The Constitution of the Audit Committee and attendance of the members at its Meetings are as follows:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Hargovind Sachdev	Independent/ Non Executive	Chairman	5	5
2.	Mr. Gautam Seth	Non Independent/ Executive	Member	5	5
3.	Dr. Rashmi Vij	Independent/ Non Executive	Member	5	5

B. Terms of Reference

The terms of reference of Audit Committee as per the governing provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015. The role of the Audit Committee includes the following:

I. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

II. Recommendation for appointment, remuneration and terms of appointment of auditors of Company;

III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.

   b) Changes, if any, in accounting policies and practices and reasons for the same.

   c) Major accounting entries involving estimates based on the exercise of judgment by management.

   d) Significant adjustments made in the financial statements arising out of audit findings.

   e) Compliance with listing and other legal requirements relating to financial statements.

   f) Disclosure of any related party transactions; and

   g) Modified opinion(s)in the draft audit report.

V. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

VI. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

VIII. Approval or any subsequent modification of transactions of the Company with related parties;

IX. Scrutiny of inter-corporate loans and investments;

X. Valuation of undertakings or assets of the Company, wherever it is necessary;

XI. Evaluation of internal financial controls and risk management systems;

XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

XIV. Discussion with internal auditors of any significant findings and follow up thereon;

XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

XVII. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

XVIII. To review the functioning of the whistle blower mechanism;

XIX. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

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

XXI. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

XXII. Consider and comment on rationale, cost-benefits and impact of Schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.

XXIII. Shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

XXIV. mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- Statement of deviations:
  (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-Regulation (1) of Regulation 32 of the SEBI Listing Regulations; and

  (ii) Annual statement of funds utilized for purposes other than those stated in the offer Document/prospectus/ notice in terms of sub-Regulation (7) of Regulation 32 of SEBI Listing Regulations.

3.2 Nomination & Remuneration Committee

A. Composition and Attendance

The constitution of the Nomination and Remuneration Committee is in conformance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations 2015, which comprises of three Non-Executive Independent Directors. The Company Secretary acts as the Secretary to the said Committee.

During the Financial Year 2022-23, 1 (One) Nomination & Remuneration Committee Meetings were held on 14th February, 2023.

The constitution of the Nomination and Remuneration Committee and attendance of the members at its meetings are as follows:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Dhruv Goyal	Independent/ Non Executive	Chairman	1	1
2.	Mr. Hargovind Sachdev	Independent/ Non Executive	Member	1	1
3.	Dr. Rashmi Vij	Independent/ Non Executive	Member	1	1

B. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

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

II. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

III. Devising a policy on diversity of Board of Directors;

IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; and

V. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

VI. Recommend to the board, all remuneration, in whatever form, payable to senior management.

C. Performance evaluation criteria for Independent Directors

As per the provisions of Section 178 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations 2015, the Nomination and Remuneration Committee of the Company has laid out the manner for effective evaluation of performance of Board, its Committees and individual directors including Independent Directors to be carried out by the Board.

The said manner provides certain parameters like professional qualification and appropriate experience in various fields like marketing, finance, risk management, communication with other board members, effective participation, compliance with code of conduct, exercise his/her own judgement and views openly which is in compliance with applicable laws. The performance evaluation of the Independent Directors includes the fulfillment of the independence criteria as specified and independence from the management, their performance and how constructively they contribute in Boards' deliberations etc. The brief about the performance evaluation carried out for the financial year 2022-23 is provided in the Directors' Report Section of this Annual Report.

D. Remuneration of Directors

(i) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

During the Financial Year 2022-23, the company has no pecuniary relationship or transaction with the Non-Executive Directors except the payment of sitting fees for attending the board meetings and its allied committees.

(ii) Criteria of making payments to Non-Executive Directors:

The terms of appointment / re-appointment, remuneration / fees, removal of Non-Executive Directors are governed as per the Nomination and Remuneration Policy for Directors, key managerial Personnel and other employees, as adopted by the Company. The Nomination & Remuneration Policy is available on the website of the company at https://www.hplindia.com/photos/investor-pdf/Nomination%20and%20Remuneration%20Pol icy.pdf . The non-executive directors are entitled to sitting fees for attending the meetings of the Board and its allied Committees.

(iii) Disclosures with respect to Remuneration/Sitting Fee paid

a) **Details of remuneration/sitting fee paid to Directors during the Financial Year 2022-23 are given below:**

(Rupees in Lakhs)

Sr. no.	Name and Designation	Sitting Fee (A)	Salary (B)	Perquisites (C)	Contribution to P.F. (D)	Total (A+B+C+D)
1.	Mr. Lalit Seth (Chairman and Whole-time Director)	NA	349.26	0.40	-	349.66
2.	Mr. Rishi Seth (Managing Director)	NA	150.07	0.40	-	150.47
3.	Mr. Gautam Seth (Joint Managing Director and CFO)	NA	150.07	0.40	-	150.47
4.	Mr. Hargovind Sachdev (Independent Director)	3.80	-	-	-	3.80
5.	Dr. Rashmi Vij (Independent Director)	3.80	-	-	-	3.80
6.	Mr. Dhruv Goyal (Independent Director)	2.30	-	-	-	2.30

Notes:

1. Sitting Fees represents payment to the Non-executive Independent Directors for attending Meetings of the Board and Committees thereof held during the tenure of office of Director.

2. As per the amendment to the Income Tax Act, 1961, Income Tax at Source was deducted.

b) **Service Contract, Severance Fees and Notice Period of the Executive Directors:**

The appointment/re-appointment of the Executive Directors is governed by the resolutions passed by the Nomination and Remuneration Committee, Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fees is payable to any Director.

c) **Stock Options details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

During the Financial Year 2022-23, no stock options were granted to any of the directors of the company.

3.3 Stakeholders' Relationship Committee:

A. Composition and Attendance

The constitution of the Stakeholders' Relationship Committee is in conformance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations 2015. The Committee comprises of three members including one Independent Director and the Chairman is a Non-executive Independent Director. The Company Secretary acts as the secretary to the said committee.

During the Financial Year 2022-23, 1 (one) Stakeholders' Relationship Committee meeting was held on 14th February, 2023.

The composition of the Stakeholders' Relationship Committee and attendance of the members at its meeting are as follows:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Hargovind Sachdev	Independent/ Non Executive	Chairman	1	1
2.	Mr. Rishi Seth	Non Independent/ Executive	Member	1	1
3.	Mr. Gautam Seth	Non Independent/ Executive	Member	1	1

B. Name and designation of compliance officer

Mr. Vivek Kumar, Company Secretary is the Compliance Officer of the Company.

C. Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee is as under:

I. Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

II. Review of measures taken for effective exercise of voting rights by shareholders.

III. Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.

IV. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

D. Shareholder Grievance Redressal

The Company has received 25 complaints and resolved all 25 Investor complaint during the period under report to the satisfaction of shareholder. There was no pending investor complaint as on 31st March, 2023.

3.4 Executive Committee

The Executive Committee was constituted to expedite the day to day affairs of the company which are routine in nature. The committee functions within the approved framework and on the directions of the Board of directors.

During the financial year 2022-23, 9 (Nine) Executive Committee meetings were held on 5th May, 2022, 27th June, 2022, 18th July, 2022, 8th August, 2022, 6th September, 2022, 16th September, 2022, 29th September, 2022, 7th December, 2022 and 24th January, 2023.

The Composition of the Executive Committee and attendance of the members at its Meetings are as follows:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Lalit Seth	Non Independent/ Executive	Chairman	9	9
2.	Mr. Rishi Seth	Non Independent/ Executive	Member	9	9
3.	Mr. Gautam Seth	Non Independent/ Executive	Member	9	9

B. Terms of Reference:

The terms of reference of the Executive Committee as authorised by the Board of Directors of the Company are as under:

1. To open and operate any bank account like imprest account; EEFC account; current account; CC account; working capital account and closure thereof.

2. Change in signatory for the operation of the said bank accounts.

3. authorized to accept, sign or execute the sanctions letters or any other agreement or document with any Bank or financial Institution and to do all other acts deeds in relation to availing Bank borrowings/Credit Facility (Fund Based/Non Fund Based)/Channel Financing Facilities or any other banking facilities upto a sum of Rs. 1750 crore subject to the ceiling as prescribed by the Companies Act, 2013

4. For Issuing commercial papers and execution of documents

5. To authorize any person to appear and to sign any paper or document in relation to any legal matter including authority to appoint advocate etc.

6. To authorize any person to appear and to apply & sign any document under Sales Tax Act, Vat Act; Central Excise, GST; Pollution Acts, Industrial Act, Provident Fund Act, Employee State Insurance Act or any other state or Central Act or to represent the company in any of the Government or Semi Government Department.

7. To authorize any person to appear and to sign any tender document.

8. To create security or provide guarantee in relation to availing Bank borrowings/Credit Facility (Fund Based/Non Fund Based)/Channel Financing Facilities or any other banking facilities.

9. To invest the fund of the company.

3.5 Corporate Social Responsibility(CSR) Committee:

A. Composition and Attendance

The constitution of the CSR Committee is in conformance with the requirements of Section 135 of the Companies Act, 2013, which comprises of 3 (three) Directors including one Independent Director. The Company Secretary acts as the secretary to the said committee.

During the Financial Year 2022-23, One (1) CSR Committee Meeting was held on 26th May, 2022.

The constitution of the CSR Committee and attendance of the members at its meetings is as under:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Lalit Seth	Non Independent / Executive	Chairman	1	1
2.	Mr. Rishi Seth	Non Independent / Executive	Member	1	0
3.	Dr. Rashmi Vij	Independent/ Non Executive	Member	1	1

B. Terms of Reference:

The terms of reference of the CSR Committee is as under:

I. To formulate and recommend to the board, a CSR Policy which will indicate the activities to be undertaken by the company in accordance with Schedule VII of the Companies Act,2013, as amended;

II. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

III. To monitor the CSR Policy of the company from time to time;

IV. Any other matter as may be directed by the board of directors from time to time which may deem appropriate.

4. GENERAL BODY MEETINGS

A. Location and time, where last three Annual General Meetings held and Special resolution passed thereat:

Day, Date and time of AGM	Venue	Details of Special Resolution passed, if any
Friday, 30th September, 2022 at 11:00 AM	Conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Nil
Thursday, 30th September, 2021 at 11:00 AM	Conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	1. Re-appointment of Mr. Lalit Seth (DIN: 00312007) as the Chairman and Whole-time Director of the Company and fixation of remuneration 2. Re-appointment of Mr. Rishi Seth (DIN: 00203469) as the Managing Director of the Company and fixation of remuneration

		3. Re-appointment of Mr. Gautam Seth (DIN: 00203405) as the Joint Managing Director of the Company and fixation of remuneration
Wednesday, 30th September, 2020 at 11:00 AM	Conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	1. Appointment of Mr. Hargovind Sachdev (DIN: 08105319) as an Independent Director for the second term 2. Change in designation of Mr. Lalit Seth (DIN: 00312007) from Chairman and Managing Director to Chairman and Whole-time Director, effective from 14th February, 2020 3. Change in designation of Mr. Rishi Seth (DIN: 00203469) from Joint Managing Director to Managing Director, effective from 14th February, 2020

B. Details of special resolution passed in the last year through Postal Ballot:

During the period under report, no resolution was passed through postal ballot.

C. Person who conducted the postal ballot exercise: Not Applicable

D. Details of the special resolution proposed to be conducted through postal ballot and procedure for postal ballot:

At present there is no special resolution proposed to be conducted through postal ballot.

5. MEANS OF COMMUNICATION

A. Quarterly Results :

The Company publishes limited reviewed Un-audited Financial Results on a quarterly basis. In respect of the fourth quarter, the Company publishes the Audited financial results for the complete financial year.

B. Newspapers wherein results normally published:

The quarterly, half-yearly and annual financial results are published in Business Standard in both English and Hindi editions.

C. Website, where displayed:

The financial results are placed on the Company's website at www.hplindia.com under the 'Investor Relations' section.

D. Official news releases:

The Company regularly publishes an information update on its financial results and also displays official news releases in the Investor Relations section on its website at www.hplindia.com.

E. Presentations made to institutional investors or to the analysts:

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook. The presentations on financial results to analysts or institutional investors are placed on the Company's website https://www.hplindia.com/investor-relation.php.

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting- day, date, time and Venue

31st Annual General Meeting
Day: Saturday
Date: 30th September, 2023
Time: 11:00 A.M

Venue: Through Video conferencing/ Other Audio Visual means (OAVM) – Company's Registered office i.e. 1/20, Asaf Ali Road, New Delhi – 110002 will be considered as venue for the purpose of 31st Annual General Meeting.

B. Financial Year:

The Financial Year of the Company starts from April 1, of a year and ends on March 31, of the following year.

C. Dividend Payment Date:

The Board of Directors of the Company has recommended a final dividend of Rs. 1 per equity share of 10/- each i.e. @ 10% for the Financial Year ended 31st March, 2023. Date of payment of dividend would be within 30 days from the date of declaration of the dividend.

D. Listing on Stock Exchanges and Stock Code

Stock Exchanges and their address	Stock Code	ISIN
BSE Limited(BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	540136	INE495S01016
National Stock Exchange of India Limited(NSE) "Exchange Plaza", 5th Floor, Plot No. C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051	HPL	

E. Annual Fee

a. **Payment of Listing Fee**: The Annual Listing fee for the financial year 2023-24, as applicable to the Company has been paid to BSE and NSE within the stipulated time.

b. **Payment of Depository Fee**: Annual Custody fee for the year 2023-24 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) within the stipulated time.

F. Market Price Data: The monthly high & low prices and volumes of the equity shares of the company at NSE and BSE during the Financial year 2022-23 are as under:

(Amount in Rs.)

Month	National Stock Exchange of India Limited			BSE Limited		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr-22	76.50	64	41,39,033	76.5	63.9	583454
May-22	69.5	55.2	30,20,802	72	55.05	498708
Jun-22	66.5	50.8	18,22,330	66.25	50.8	188941
Jul-22	63.9	56.4	13,87,633	64.3	56.45	196496
Aug-22	77.8	61.2	65,10,142	77.85	57	742158
Sep-22	79.8	67.1	73,05,130	79.95	66.35	1031835
Oct-22	104.15	68.5	1,53,67,603	104.1	67.8	1534446
Nov-22	104.4	90.2	97,30,257	105.95	90.45	1723449
Dec-22	115.6	84.45	1,80,45,954	115.5	84.55	2307381
Jan-23	112.6	92.45	1,02,72,919	112.5	92.35	1861386
Feb-23	99.9	80.1	49,19,125	99.9	80.05	1087856
Mar-23	89.9	75.15	28,87,539	91.35	74.10	432273

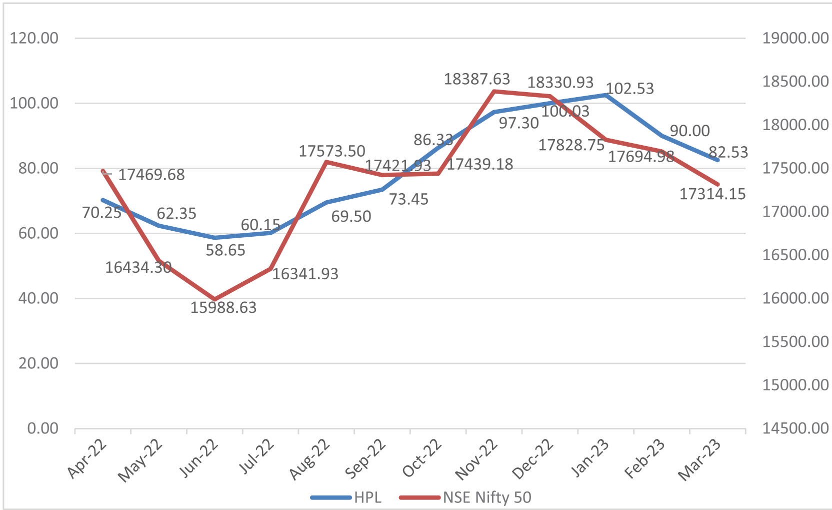
(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchange(s).

G. Share Price Performance in comparison to broad-based indices BSE Sensex, and NSE Nifty 50:

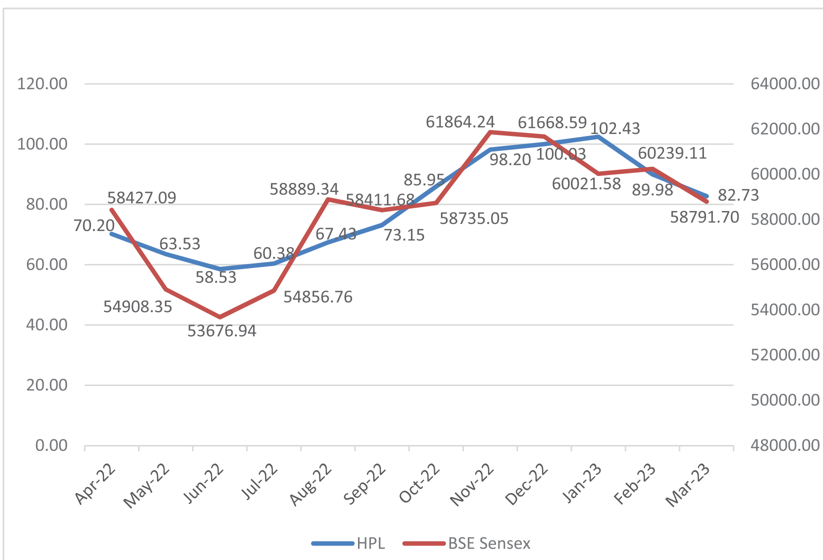
COMPARISON OF HPL PRICE vis-a-vis NIFTY50

(Based on average of High and Low of HPL Share Price and Nifty 50)



COMPARISON OF HPL PRICE VIS-A-VIS BSE SENSEX

(Based on average of High and Low of HPL Share Price and BSE Sensex)



H. In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable.

I. Registrar to an issue and share transfer agents:

Name	KFin Technologies Limited (formerly KFin Technologies Private Limited)
Address	Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad - 500032 India
Toll Free No.	1-800-309-4001
E-mail :	einward.ris@kfintech.com
Website:	www.kfintech.com

J. Share transfer system:

As per SEBI mandate, effective from 1st April, 2019, no share can be transferred in physical mode. The company has sent communications to the shareholders encouraging them to dematerialize their holding in the company. The Communications, inter-alia, contained procedure for getting the shares dematerialized. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange of securities certificate, Endorsement, Sub-division/Split of securities certificate, Consolidation of securities certificates/folios, Transmission an. Transposition. Transmission, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed through the Company's RTA.

In compliance of the provisions of SEBI Listing Regulations 2015, the share transfer system of the Company is audited annually by a Practicing Company Secretary and a certificate to that effect is issued by him.

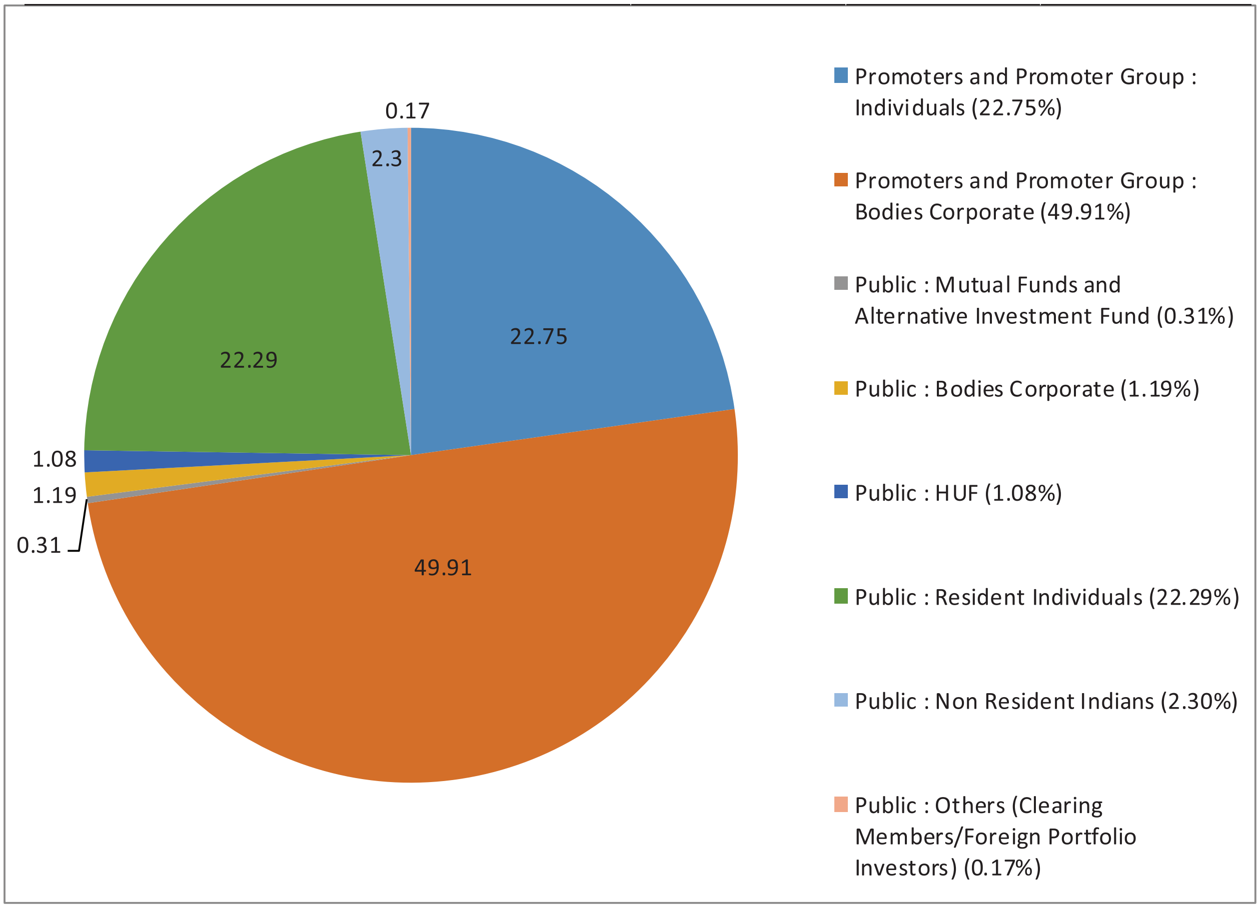
K. Distribution of Shareholding:

a. Shareholding by size as on 31st March, 2023

Sl	Category	No. of Shareholders	% of Shareholders	No. of Shares	% To Equity
1	1-5000	**65244**	**99.40**	**11144798**	**17.33**
2	5001- 10000	**215**	**0.33**	**1575127**	**2.45**
3	10001- 20000	**108**	**0.16**	**1508830**	**2.35**
4	20001- 30000	**28**	**0.04**	**705443**	**1.10**
5	30001- 40000	**15**	**0.02**	**527690**	**0.82**
6	40001- 50000	**11**	**0.02**	**521424**	**0.81**
7	50001- 100000	**7**	**0.01**	**498984**	**0.78**
8	100001& Above	**13**	**0.02**	**47818190**	**74.37**
	Total:	**65641**	**100.00**	**64300486**	**100.00**

b. Shareholding by category as on 31st March, 2023

Category of Shareholders	Number of shareholders	No. of Shares	% of Shareholding
Promoters and Promoter Group			
Individuals	4	14626806	22.75
Bodies Corporate	4	32092023	49.91
Public			
Mutual Funds and Alternative Investment Fund	1	200000	0.31
Bodies Corporate	112	765308	1.19
HUF	2084	692684	1.08
Resident Individuals	62893	14335781	22.29
Non Resident Indians	530	1477466	2.30
Others (Clearing Members/ Foreign Portfolio Investors)	28	110418	0.17
Total		**64300486**	**100**



L. Dematerialization of shares and liquidity:

Trading in Equity Shares of the Company is permitted only in dematerialised form.

Number of shares along with percentage held in dematerialized and physical mode as on 31st March, 2023 are as follows:

Form	Number of Shares	Percentage
NSDL	14241909	22.15
CDSL	50058577	77.85
Total	**64300486**	**100**

The Company's Equity Shares are among the most liquid and actively traded shares on the Stock Exchanges.

M. Outstanding global depository receipts or American depository receipts or warrant or any convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March, 2023.

N. Commodity price risk or foreign exchange risk and hedging activities:

The Company has in place Risk Management policy in order to mitigate foreign exchange risk. When required forward contracts/ cover are also used to cover these exposures.

O. Plant locations:

Sl No.	Address
1.	Plot No. 132-133, Pace City –I, Sector -37, Gurgaon, Haryana
2	Plot No. 357-Q,Pace City- II, Sector – 37, Gurgaon, Haryana
3	Vill : Shavela, P.O. Jabli, Distt. Solan, Himachal Pradesh
4	Vill: Bigan, Dhaturi Road, Tehsil : Gannaur, Sonepat Haryana
5	Plot No. 76-B, Phase- IV, Sector – 57,Industrial Estate, Kundli, Sonepat Haryana
6	Main GT Karnal Road Village Bastawa, Tehsil Gharaunda, District Karnal, Haryana

P. Address for correspondence:

(A) Company's address:

Registered Office	1/20, Asaf Ali Road, New Delhi- 110002
Phone :	011 23234411
Fax	011 23232639
Corporate Office:	Windsor Business Park, B-1D, Sector-10, Noida- 201301
Phone :	0120-4656300
Fax :	0120-4656333
Website	www.hplindia.com
E-mail :	hplcs@hplindia.com

(B) Registrar & Share Transfer Agent's Address:

Address :	KFin Technologies Limited (formerly KFin Technologies Private Limited), Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal,Hyderabad - 500032 India
Toll Free No. :	1-800-309-4001
E-mail :	einward.ris@kfintech.com
Website:	www.kfintech.com

Q. List of all credit ratings obtained alongwith any revisions thereto during the relevant financial year:

During the Financial year 2022-23, the instrument wise credit ratings as obtained from CRISIL Rating Limited are as follows:

Fund-based working capital limits	CRISIL BBB+/Positive
Non Fund-based working capital limits	CRISIL A2
Term Loan	CRISIL BBB+/Positive

The details on credit ratings are available on the website of the company at www.hplindia.com in the Investor Relations Section.

7. OTHER DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

During the Financial Year 2022-23, there was no materially significant Related Party Transactions with the company's Directors, Promoters, the KMPs, management or their relatives that may have potential conflict with the interests of the Company at large. All related party transactions entered into during the year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015 as amended from time to time.

Members may refer to the disclosure of transactions with related parties in accordance with IND AS -24 as given in Note No. 42 on Accounts of the Annual Report .

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

During the period under report, No penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets.

However in the previous financial 2020-21, NSE and BSE imposed penalty on the Company for the non-compliance of Regulation 29 of SEBI Listing Regulations 2015 regarding the prior intimation of Board meeting held on 12th January, 2021 which was held at shorter notice since there was delay in receiving the confirmation of availability of some of the directors of the company due to the Covid-19 pandemic and consequently, the Company delayed in intimating to NSE and BSE about the date of Board Meeting. The company however, paid the penalty within stipulated time.

Apart from the abovementioned details, the Company has not been penalized, nor have the stock exchanges, or the Board or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

C) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has established a Vigil Mechanism/Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of the SEBI Listing Regulations 2015 for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. During the year under report, no Director or Employee has been denied access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy is available on the website of the company i.e. https://www.hplindia.com/photos/investor-pdf/Vigil-Mechanism-Policy.pdf.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Web link where policy for determining 'material' subsidiaries is disclosed:

The policy for determining 'material' subsidiaries is available on the website of the Company under "Policies and Code" in the Investor Relations section and can be accessed at https://www.hplindia.com/photos/investor-pdf/Policy-for-Determing-Material-Subsidiary.pdf

f) Web link where policy on dealing with related party transactions:

The policy on dealing with related party transactions is available on the website of the Company under "Policies and Code" in the Investor Relations section and can be accessed at https://www.hplindia.com/photos/investor-pdf/Related-Party-Transactions-Policy.pdf

g) Disclosure of commodity price risks and commodity hedging activities:

The Company not importing commodity and hence commodity price risk & Commodity hedging activities not applicable.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

i) Certificate from the Company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

On the basis of written representations/ declaration received from the Directors, as on 31st March, 2023, M/s Gupta Vinod & Co., Company Secretaries (Membership No. FCS 3648, CP No. 2148), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ MCA or any such authority.

j) **where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

The Board accepted the recommendations of its Committees, wherever made, during the year.

k) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part which are part of this Annual Report.**

Details relating to fees paid to the Statutory Auditors are given in Note 31(a) of the Consolidated Financial Statements of this Annual Report.

l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a. number of complaints filed during the financial year : NIL

b. number of complaints disposed off during the financial year : NA

c. number of complaints pending as on end of the financial year: NIL

m) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'.**

Not Applicable, as the Company has not given any loans and advances in the nature of loans to firms/companies in which directors are interested during the year under review.

n) **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not Applicable

8. Compliance With The Corporate Governance Codes

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

9. Disclosure of the Extent to which the Discretionary Requirements as Specified in Part E of Schedule II have been adopted

(a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a Non-Executive Chairperson is not applicable.

(b) Shareholder's Rights: The company uploads its Quarterly, half yearly and Annual Results, shareholding information, statutory communications to stock exchanges, press releases and presentations on its website i.e. www.hplindia.com which is accessible to all. The Results are also reported to Stock Exchanges and published in national newspapers in English and Hindi newspapers having wide circulation.

(c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

(d) Separate posts of Chairperson and CEO: Presently, Mr. Lalit Seth is the Chairman and Mr. Rishi Seth is the Managing Director of the Company. Chairman is related to Managing director as per the definition of term "relative" defined under Companies Act, 2013.

(e) Reporting of Internal Auditor: The Company has appointed PricewaterhouseCoopers Services LLP as the Internal Auditors for conducting the internal audit who reports directly to the Audit Committee.

10. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

The company does not have any shares in the demat suspense account or unclaimed suspense account.

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

Lalit Seth
Chairman and Whole-time Director
DIN: 00312007

Date : 9th August, 2023
Place : Noida

DECLARATION PURSUANT TO CLAUSE D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that all the Board Members and Senior Management Personnel of the company have affirmed compliance with the Code of Conduct of Directors and Senior Management, as approved by the Board, for the financial year ended 31st March, 2023.

RISHI SETH
MANGING DIRECTOR
DIN: 00203469

Date : 29th May, 2023
Place : Noida

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
HPL Electric & Power Limited
1/20, Asaf Ali Road
New Delhi-110002

We have examined the compliance of Corporate Governance by HPL Electric & Power Limited ("the Company"), for the year ended 31st March, 2023, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sakshi & Associates.**
Chartered Accountants
Firm Registration No. 025099N

CA Sakshi Kharabanda
Proprietor
Membership No. 523802
UDIN: 23523802BGUWIA7768

Date : 9th August, 2023
Place : New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
HPL Electric & Power Limited
1/20, Asaf Ali Road,
New Delhi -110002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ***HPL Electric & Power Limited*** having CIN L74899DL1992PLC048945 and having registered office at 1/20, Asaf Ali Road, New Delhi 110002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority :

Sr.No	Name of Director	DIN	Date of appointment in Company
1	Mr. Lalit Seth	00312007	28/05/1992
2	Mr. Rishi Seth	00203469	29/09/2000
3	Mr. Gautam Seth	00203405	15/02/2008
4	Mr. Hargovind Sachdev	08105319	13/04/2018
5	Mrs. Rashmi Vij	01103219	12/05/2021
6	Mr. Dhruv Goyal	06963262	12/05/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Vinod & Company
Company Secretaries

(CS Vinod Kumar Gupta)
Practicing Company Secretary
FCS: 3648; CP: 2148
UDIN: F003648E000770997

Place : Delhi
Dated : 9th August, 2023

CEO & CFO CERTIFICATE

To
The Board of Directors
HPL Electric & Power Limited
1/20, Asaf Ali Road
New Delhi – 110002

We, Rishi Seth, Managing Director and Gautam Seth, Jt. Managing Director & Chief Financial Officer of HPL Electric & Power Limited (the 'Company') to the best of our knowledge and belief, certify that:

A. We have reviewed the, Standalone and Consolidated financial statements and cash flow statement for the year ended on 31st March, 2023 and based on our knowledge and belief certify that:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended on 31st March, 2023 which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to auditors and the audit committee of the Board, wherever applicable:

   1) significant changes in internal control over the financial reporting during the year;

   2) significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and

   3) instances of significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

	Rishi Seth	**Gautam Seth**
Date : 29th May, 2023	Managing Director	Jt. Managing Director & Chief Financial Officer
Place : Noida	DIN: 00203469	M. No. 094003

Independent Auditor's Report

To the Members of **HPL ELECTRIC & POWER LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HPL ELECTRIC & POWER LIMITED ("the Company"), which comprise the Balance sheet as at 31 March 2023, the Statement of Profit and Loss, the Statement of changes in Equity and Statement of Cash Flows for the year then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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 March 2023, its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in our Audit
Revenue recognition – Fixed Price Development Contracts Revenue recognition in respect of fixed price contracts involves critical estimates. Estimated effort is a critical estimate to determine revenue and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ➢ Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. ➢ Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. ➢ Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. ➢ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. ➢ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. ➢ Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

Information other than the financial statements and Auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including Annexures to Board's Report but does not include the financial statements and our Auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of Accounting policies used and the reasonableness of Accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of Accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, the Statement of Profit and Loss, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the Directors as on 31 March, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the Internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

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

      i. The Company has disclosed pending litigations and the impact on its financial position in its standalone financial statements - Refer Note 46 to the Standalone Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. The dividend declared or paid during the year by the Company is in accordance with section 123 of the Act.

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

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

For **SAKSHI & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 025099N

SAKSHI KHARABANDA
Proprietor
M.No.:523802
UDIN:23523802BGUWGU1157

Place : New Delhi
Date : 29 May 2023

Annexure 'A' to the Independent Auditor's Report

(The Annexure referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets,

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the Management during the year. In our opinion, the coverage and procedure of such verification followed by the Management were appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the Management as compared to book records.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

(iv) In respect of loans, investments, guarantees, and security, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits covered under Sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and such accounts and records have been so made and maintained;

(vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except the following:

S.No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
1	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	16.40	16.40
2	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	82.49	82.49
3	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13	1.01	1.01
4	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	1.13	1.13
5	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	25.51	25.51
6	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	17.83	17.83
7	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	4.78	4.78
8	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	18.45	18.45
9	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	10.06	10.06
10	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	49.22	49.22
11	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2011-12	23.19	23.19
12	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	4.38	4.38
13	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	163.04	163.04
14	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	8.87	8.87
15	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2011-12	23.39	23.39
16	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2012-13	23.67	23.67
17	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2013-14	80.59	80.59
18	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	4.80	72.95
19	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2014-15	12.05	25.35
20	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	18.38	18.38

S.No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
21	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Final demand after Rectification on 31.07.2017 (Revision Pending)	3.61	3.61
22	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2012-13	1.97	1.97
23	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2013-14	3.73	3.73
24	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2014-15	0.52	0.52
25	Haryana Vat Act, 2003	Haryana Tax Tribunal-Rohtak-Appeal pending before the Jt. ETC(A), Rohtak for 2010-11	33.95	33.95
26	Haryana Vat Act, 2003	Demand for sales tax before Dy. Excise & Taxation Commissioner (ST),Sonepat for 2014-15	10.14	10.14
27	Haryana Vat Act, 2003	Demand for sales tax before Jt Excise & Taxation Commissioner, Ambala for 2014-15	55.74	55.74
28	Income Tax Act, 1961	Income Tax demand before Asstt. Commissioner of Income Tax, Delhi for AY-2017-18	28.72	28.72
29	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	41.89	41.89
30	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2014-15	97.13	97.13
31	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	75.76	75.76
32	Central Excise Act, 1944	Demand for Excise Duty before Deputy Comm. Central GST Gurgram for 2016-17.	1.72	1.72
33	Finance Act, 1994	Demand for Service Tax Credit before Asstt. Commissioner Gurugram for 2015-16 to 2017-18	14.78	14.78
34	Custom Act,1962	Demand for Custom Duty before Adl./Joint Comm./Customs Gr-VA,ACC Import New Custom House New Delhi for 2018-19	22.67	22.67
35	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	73.54	73.54
36	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	37.23	37.23
37	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2017-18	68.87	68.87
38	CGST Act, 2017	Asst. Commissioner CGST division, Parwanoo, Jabli	4.33	-

(viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.

(e) In our opinion and according to the information and explanations given by the Management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the course of audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the Company.

(xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given by the Management, the Group does not have any Core Investment Companies (CIC) as part of the Group.

(xvii) Based on our examination, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance sheet as and when they fall due within a period of one year from the Balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the order are not applicable to the Company.

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

For SAKSHI & ASSOCIATES
Chartered Accountants
Firm's Registration Number: 025099N

SAKSHI KHARABANDA
Proprietor
M.No.:523802
UDIN:23523802BGUWGU1157

Place : New Delhi
Date : 29 May 2023

Annexure'B' to the Independent Auditor's Report

Report on Internal Financial Controls with reference to Standalone Financial statements

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

We have audited the Internal financial controls over financial reporting of HPL ELECTRIC & POWER LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for 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 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 ("ICAI"). 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate 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 on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal financial control 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 purposes in accordance with generally accepted Accounting principles. A Company's Internal financial control over financial reporting with reference to standalone financial statements 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 statements in accordance with generally accepted Accounting principles, and that 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 prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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 control over financial reporting may become inadequate because of changes 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 with reference to standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31 2023, 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.

For SAKSHI & ASSOCIATES
Chartered Accountants
Firm's Registration Number: 025099N

SAKSHI KHARABANDA
Proprietor
M.No.:523802
UDIN : 23523802BGUWGU1157

Place : New Delhi
Date : 29 May 2023

Balance Sheet

as at 31st March 2023

(₹ in Lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	40,482.41	39,460.95
Capital work in progress	4	722.01	788.12
Right of use Assets	5	152.86	274.17
Intangible assets	6	-	661.07
Financial assets			
i. Investments	7	5,400.00	5,400.00
ii. Loans	8	229.51	256.70
Deferred tax assets (Net)	9	659.54	1,381.50
Other non-current assets	10	1,332.28	1,321.97
Total Non-Current Assets		**48,978.61**	**49,544.48**
Current assets			
Inventories	11	46,615.59	48,786.99
Financial assets			
i. Trade receivables	12	54,603.24	46,035.69
ii. Cash and cash equivalents	13	2,945.26	3,205.35
iii. Bank balances other than (ii) above	14	3,268.65	3,664.00
iv. Loans	8	77.66	62.59
v. Other financial assets	15	1,192.32	1,331.25
Current tax assets (Net)	16	19.41	203.79
Other current assets	10	5,189.48	4,147.55
Total Current Assets		**113,911.61**	**107,437.21**
Total Assets		**162,890.22**	**156,981.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	6,430.05	6,430.05
Other equity	18	72,316.20	69,649.06
Total equity		**78,746.25**	**76,079.11**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
i. Borrowings	19	2,547.63	3,332.39
ii. Lease liabilities		70.49	182.41
iii. Other financial liabilities	23	2,835.04	1,295.18
Provisions	20	711.49	672.43
Total Non-Current Liabilities		**6,164.65**	**5,482.41**
Current liabilities			
Financial liabilities			
i. Borrowingss	21	53,146.69	51,678.65
ii. Lease liabilities		104.79	114.49
iii. Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises		1,625.87	1,683.42
b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,406.60	19,646.02
iv. Other financial liabilities	23	2,184.76	1,617.68
Other current liabilities	24	960.72	272.44
Provisionss	20	549.89	407.47
Total Current Liabilities		**77,979.32**	**75,420.17**
Total Liabilities		**84,143.97**	**80,902.58**
Total Equity and Liabilities		**162,890.22**	**156,981.69**

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants
Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGU1157

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in Lakhs)

	Particulars	Note No	Year ended 31st March 2023	Year ended 31st March 2022
	Income:			
I.	Revenue from operations	25	121,486.69	100,427.98
II.	Other income	26	322.03	352.46
III.	**Total income (I + II)**		**121,808.72**	**100,780.44**
IV.	**Expenses:**			
	Cost of materials consumed	27	81,459.61	65,573.49
	Changes in inventories of finished goods, work-in-progress	28	369.59	747.02
	Employee benefits expense	29	13,862.74	11,839.52
	Finance cost	30	7,090.89	6,411.94
	Depreciation and amortization expenses	31	3,496.42	4,403.28
	Other expenses	32	11,254.09	10,718.57
	Total expenses		**117,533.34**	**99,693.82**
V.	**Profit before exceptional items and tax (III-IV)**		**4,275.38**	**1,086.62**
	Exceptional items		-	-
V.	Profit before tax (III-IV)		4,275.38	1,086.62
VI.	**Tax expense:**			
	(1) Current tax	33	771.18	190.90
	(2) Deferred tax	33	728.47	183.77
VII.	**Profit for the year (V-VI)**		**2,775.73**	**711.95**
	Other comprehensive income (OCI)			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(18.66)	(92.57)
	Income tax relating to these items		6.52	32.35
	Other comprehensive income for the year, net of tax		**(12.14)**	**(60.22)**
	Total comprehensive income for the year		**2,763.59**	**651.73**
VIII.	Earnings per equity share of ₹10/- each	34		
	(1) Basic (₹)		4.32	1.11
	(2) Diluted (₹)		4.32	1.11

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGU1157

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Cash Flow Statement

for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A. Cash flow from operating activities		
Net profit/ (loss) before tax	4,275.38	1,086.62
Adjustments for :		
- Depreciation and amortisation expenses	3,496.42	4,403.28
- Finance expenses	7,090.89	6,411.94
- Interest income	(268.54)	(256.11)
- Loss / (profit) on sale of fixed assets	(2.63)	3.61
Operating profit before working capital changes	14,591.52	11,649.34
Adjustments for :		
Decrease/(increase) in trade receivables	(8,548.15)	3,459.73
Decrease/(increase) in other financial and non-financial assets	(917.49)	(1,626.34)
Decrease/(increase) in inventories	2,171.40	(6,156.71)
(Decrease)/increase in trade payables	(296.97)	3,260.01
(Decrease)/increase in other financial, non financial liabillities and provisions	2,985.24	(955.35)
Cash generated from operations	9,985.55	9,630.68
- Taxes paid (net of refunds)	(586.80)	(244.83)
Net cash from operating activities	**9,398.75**	**9,385.85**
B. Cash flow from investing activities		
- Purchase of property, plant & equipment and intangible assets	(3,777.83)	(3,174.79)
- (increase)/ decrease in capital work in progress	66.11	(699.85)
- Payment for acquiring right of use of assets	(121.31)	(155.91)
- Proceeds from Sale of property, plant and equipments	14.36	45.99
- Interest income received	268.54	256.11
Net cash used in investing activities	**(3,550.13)**	**(3,728.45)**
C. Cash flow from financing activities		
- Proceeds/(Repayment) from working capital loan (net)	1,468.04	(42.23)
- Proceeds/(Repayment) from secured long term loan	(784.76)	1,039.57
- Repayment of lease liabilities interest portion	(24.04)	(31.24)
- Finance expenses	(7,066.85)	(6,380.71)
- Payment of dividend	(96.45)	(96.45)
Net cash used in financing activities	**(6,504.06)**	**(5,511.06)**
Net changes in cash & cash equivalents (a+b+c)	(655.44)	146.34
Cash & cash equivalents at the beginning of the year	6,869.35	6,723.01
Cash & cash equivalents at the end of the year	6,213.91	6,869.35

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGU1157

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

HPL Electric & Power Limited

Statement of changes in equity

for the year ended 31st March 2023

I) Equity Share Capital **(₹ in Lakhs)**

Particulars	Note No	Amounts
Balance as at 1st April 2021		6,430.05
Changes during the year	17	-
Balance as at 31st March 2022		6,430.05
Changes during the year	17	-
Balance as at 31st March 2023		6,430.05

II) Other equity (₹ in Lakhs)

Particulars	Notes	Security premium	General reserve	Retained earnings	Total
Balance as at 1st April 2021	18	36,601.35	2,571.31	29,921.12	69,093.78
Profit for the year		-	-	711.95	711.95
Other comprehensive income		-	-	(60.22)	(60.22)
Total comprehensive income		**-**	**-**	**651.73**	**651.73**
Transaction with owners in their capacity as owners:					
Final equity dividend				(96.45)	(96.45)
Balance as at 31st March 2022		**36,601.35**	**2,571.31**	**30,476.40**	**69,649.06**
Profit for the year		-	-	2,775.73	2,775.73
Other comprehensive income				(12.14)	(12.14)
Total comprehensive income		**-**	**-**	**2,763.59**	**2,763.59**
Transaction with owners in their capacity as owners:					
Final equity dividend		-	-	(96.45)	(96.45)
Balance as at 31st March 2023		**36,601.35**	**2,571.31**	**33,143.54**	**72,316.20**

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGU1157

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Notes forming part of the financial statements

for the year ended 31st March 2023

Note-1

COMPANY OVERVIEW

HPL Electric & Power Limited ('the Company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/20, Asaf Ali Road, New Delhi. The Company is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs. The Company's manufacturing facilities are located at 6 locations, 2 units at Gurgaon, 1 unit at village Bastara, Tehsil Gharaunda, Karnal, 1 unit at village Bhigan, Ganauar, Sonipat, 1 unit at Kundli in Haryana and 1 unit at village Shavela, Jabli in Himachal Pradesh.

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

The Financial statements were approved by the Board of Directors for issue in accordance with resolution passed on May 29, 2023.

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.

ii) *Historical cost convention*

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

B) Property plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation on buildings, machinery and equipments has been provided on straight-line basis over the estimated useful lives of the respective assets. Intangibale 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- 35-45 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 costless 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

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

Amortisation methods and periods

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

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

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

D) Impairment of non-financial assets

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

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

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

E) Financial Instruments

i) Financial Assets

A) *Initial recognition and measurement*

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

B) *Subsequent measurement*

a) Financial assets carried at amortised cost

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

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

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

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

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

C) *Investment in subsidiaries*

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

(d) Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

D) *Other Equity Investments*

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

E) *Impairment of financial assets*

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

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

- The 12 months expected credit losses(expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

ii) Financial Liabilities

A) *Initial recognition and measurement*

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

B) *Subsequent measurement*

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

F) Income recognition

Interest income

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

Dividends

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

G) Inventories

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

H) Revenue Recognition

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

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

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

I) Contract Balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the Company's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

J) Employee Benefits

(i) Short-term obligations

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

(ii) Post-Employment Benefits

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

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

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

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

Termination benefits are recognized as an expense immediately.

K) 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.

L) 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.

M) Lease

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

Company as a lessee

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

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating

expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)

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

Lease Liabilities

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

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

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

Short-term leases and leases of low-value assets

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

Company as a lessor

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

N) 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.

O) 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.

P) 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.

Q) Other Operating Revenues

i) 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.

ii) Export Benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

R) 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.

S) 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.

T) 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.

U) 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.

V) 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.

W) 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.

X) Changes in significant accounting policies

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

Y) Recent accounting pronouncements

New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment.

Z) 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 37.

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.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

3 Property, plant and equipment

(₹ in Lakhs)

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2022	Additions	Deletion / Adjustment	31st March 2023	1st April 2022	For the year	Deletion / Adjustment	31st March 2023	31st March 2023
1	Freehold Land	13,132.01	-	-	13,132.01	-	-	-	-	13,132.01
2	Building	9,378.92	-	-	9,378.92	1,446.42	204.43	-	1,650.85	7,728.07
3	Plant & Machinery	29,809.29	3,646.17	(82.83)	33,372.63	12,123.79	2,351.71	(68.55)	14,406.95	18,965.68
4	Furniture & Fittings	506.95	39.40	(1.17)	545.18	228.22	49.22	(3.97)	273.47	271.71
5	Office Equipment's	256.85	12.95	(9.09)	260.71	163.45	32.01	(8.56)	186.90	73.81
6	Vehicles	649.50	49.02	(15.12)	683.40	310.69	76.67	(15.09)	372.27	311.13
	TOTAL	**53,733.52**	**3,747.54**	**(108.21)**	**57,372.85**	**14,272.57**	**2,714.04**	**(96.17)**	**16,890.44**	**40,482.41**

(₹ in Lakhs)

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2021	Additions	Deletion / Adjustment	31st March 2022	1st April 2021	For the year	Deletion / Adjustment	31st March 2022	31st March 2022
1	Freehold Land	13,132.01	-	-	13,132.01	-	-	-	-	13,132.01
2	Building	9,378.92	-	-	9,378.92	1,188.43	257.99	-	1,446.42	7,932.50
3	Plant & Machinery	27,151.99	2,657.30	-	29,809.29	8,993.20	3,130.59	-	12,123.79	17,685.50
4	Furniture & Fittings	453.33	53.62	-	506.95	182.93	45.29	-	228.22	278.73
5	Office Equipment's	250.55	6.30	-	256.85	125.92	37.53	-	163.45	93.40
6	Vehicles	683.64	38.43	(72.57)	649.50	256.05	77.62	(22.98)	310.69	338.81
	TOTAL	**51,050.44**	**2,755.65**	**(72.57)**	**53,733.52**	**10,746.53**	**3,549.02**	**(22.98)**	**14,272.57**	**39,460.95**

a) Refer note 19 and 21 for information on property, plant & equipment pledged as security by the Company

Notes forming part of the financial statements as at and for the year ended 31st March 2023

4 CWIP ageing schedule as at 31 March 2023

(₹ in Lakhs)

S No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Mould and tools	722.01	-	-	-	722.01
	Total	**722.01**	-	-	-	**722.01**

CWIP ageing schedule as at 31 March 2022

(₹ in Lakhs)

S No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Mould and tools	788.12	-	-	-	788.12
	Total	**788.12**	-	-	-	**788.12**

5 Right of use assets

(₹ in Lakhs)

Particulars	FY 22-23 Leashold Buildings	FY 21-22 Leashold Buildings
Gross carrying value		
As at 01 April	637.05	963.06
Additions	-	245.69
Disposals	-	(571.70)
As at 31 March	**637.05**	**637.05**
Accumlated depreciaiton		
As at 01 April	**362.88**	**465.67**
Additions	121.31	164.29
Disposals	-	(267.08)
As at 31 March	**484.19**	**362.88**
Net carrying value		
As at 31 March	**152.86**	**274.17**

6 Intangible assets

(₹ in Lakhs)

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2022	Additions	Deletion / Adjustment	31st March 2023	1st April 2022	For the year	Deletion / Adjustment	31st March 2023	31st March 2023
1	Software & Designs	4,827.87	-	-	4,827.87	4,166.80	661.07	-	4,827.87	-
	TOTAL	**4,827.87**	-	-	**4,827.87**	**4,166.80**	**661.07**	-	**4,827.87**	-

(₹ in Lakhs)

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2021	Additions	Deletion / Adjustment	31st March 2022	1st April 2021	For the year	Deletion / Adjustment	31st March 2022	31st March 2022
1	Software & Designs	4,827.87	-	-	4,827.87	3,476.83	689.97	-	4,166.80	661.07
	TOTAL	**4,827.87**	-	-	**4,827.87**	**3,476.83**	**689.97**	-	**4,166.80**	**661.07**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

7 Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Investment in Subsidiary		
Himachal Energy Pvt Ltd (15,000,000 Shares of ₹ 10 each)	5,400.00	5,400.00
(31st March 2022: 15,000,000 Shares of ₹ 10 each)		
Total	**5,400.00**	**5,400.00**
Aggregate amount of unquoted investments	**5,400.00**	**5,400.00**

8 Loans

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Security Deposits	229.51	256.70	77.66	62.59
Total	**229.51**	**256.70**	**77.66**	**62.59**

9 Deferred tax assets

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
The balance comprises temporary differences attributable to:	-	-
Provision for employee benefits	332.91	265.59
Provision for warranties	112.39	115.01
Provision for doubtful debts	498.75	480.37
Property, plant and equipment	(2,705.54)	(2,501.87)
Others	481.13	510.98
MAT credit	1,939.90	2,511.42
Total deferred tax assets	**659.54**	**1,381.50**

Movement in deferred tax assets

(₹ in Lakhs)

Particulars	Provision for employee benefits	Provision for warranties	Provision for doubtful debts	Total
At 1st April 2021	**254.17**	**263.15**	**439.07**	**956.39**
(Charged)/credited:				
- to profit or loss	11.42	(148.14)	41.30	(95.42)
- to other comprehensive income	-	-	-	-
At 31st March 2022	**265.59**	**115.01**	**480.37**	**860.97**
(Charged)/credited:				
- to profit or losss	67.32	(2.62)	18.38	83.08
- to other comprehensive incomes	-	-	-	-
At 31st March 2023	**332.91**	**112.39**	**498.75**	**944.05**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Property, plant and equipment	Others	MAT Credit	Total
At 1st April 2021	**(2,739.59)**	**565.47**	**2,750.64**	**576.52**
(Charged)/credited:				-
- to profit or loss	237.72	(54.49)	(239.22)	(55.99)
- to other comprehensive income	-	-	-	-
At 31st March 2022	**(2,501.87)**	**510.98**	**2,511.42**	**520.53**
(Charged)/credited:				
- to profit or losss	(203.67)	(29.85)	(571.52)	(805.04)
- to other comprehensive incomes	-	-	-	-
At 31st March 2023	**(2,705.54)**	**481.13**	**1,939.90**	**(284.51)**

10 Other assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Capital advances to related parties	528.66	498.37	-	-
Receivable on deferred basis to related parties	802.74	822.14	-	-
Prepaid Expenses	0.88	1.46	404.56	233.75
Balance with government authorities	-	-	1,414.53	1,375.09
Advance to Suppliers*	-	-	3,362.45	2,481.31
Duty Drawback Recoverable	-	-	7.94	57.40
Total	**1,332.28**	**1,321.97**	**5,189.48**	**4,147.55**

*includes Rs. 2,662.23/- from subsidiary and joint ventures where directors are interested (PY: 1,857.99/-)

11 Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
a. Raw Materials and components		
(i) Raw materials	23674.96	25,761.25
(ii) Material-in-transit	387.58	103.29
b. Work-in-progress	14130.79	13,886.48
c. Finished goods	8392.75	9,006.65
d. Stores and spares	29.51	29.32
Total	**46,615.59**	**48,786.99**

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Considered good*	54,603.24	46,035.69
(ii) Considered doubtful	1,144.88	1,092.28
	55,748.12	47,127.97
Less: Provision for doubtful receivables	(1,144.88)	(1,092.28)
Total	**54,603.24**	**46,035.69**

* includes from subsidiary company ₹ Nil (P.Y. ₹ Nil) and from companies where directors are interested ₹ Nil (P.Y. ₹ Nil)

Notes forming part of the financial statements as at and for the year ended 31st March 2023

Trade receivable ageing schedule as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable-Considered good	35,477.54	9,359.81	3,639.62	2,155.55	927.15	3,043.57	54,603.24
Undisputed trade receivable-Credit impaired	-	-	-	-	-	1,144.88	1,144.88
Disputed trade receivable-Considered good	-	-	-	-	-		-
Disputed trade receivable-Credit impaired	-	-	-	-	-		-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(1,144.88)	(1,144.88)
Total	**35,477.54**	**9,359.81**	**3,639.62**	**2,155.55**	**927.15**	**3,043.57**	**54,603.24**

Trade receivable ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable-Considered good	29,242.17	9,032.66	1,852.00	1,866.34	1,418.07	2,624.45	46,035.69
Undisputed trade receivable-Credit impaired	-	-	-	-	-	1,092.28	1,092.28
Disputed trade receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(1,092.28)	(1,092.28)
Total	**29,242.17**	**9,032.66**	**1,852.00**	**1,866.34**	**1,418.07**	**2,624.45**	**46,035.69**

13 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and Cash equivalents		
Balances with banks	2253.41	2,519.63
Cash on hand	691.85	685.72
	2,945.26	**3,205.35**

14 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Banks held as Margin Money	3,268.65	3,664.00
Total	**3,268.65**	**3,664.00**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

15 Other financial assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2023	As at 31st March 2022
Earnest money deposit	720.46	764.73
Insurance claim Recoverable	43.98	72.73
Contract Asset Recoverable	427.88	493.79
Total	**1,192.32**	**1,331.25**

16 Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax (net of provision for tax)	19.41	203.79
Total	**19.41**	**203.79**

17 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Authorized		
70,000,000 Equity Shares of ₹ 10/- each (Previous year 70,000,000 Equity Shares of ₹ 10/- each)	7,000.00	7,000.00
(b) Issued, Subscribed & Paid Up		
64,300,486 Equity Shares of ₹ 10/- each fully paid up (31st March 2022; 64,300,486 Equity Shares of ₹ 10/- each fully paid)	6,430.05	6,430.05
Total	**6,430.05**	**6,430.05**

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

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount ₹	Number	Amount ₹
Shares outstanding at the beginning of the year	643.00	6,430.05	643.00	6,430.05
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**643.00**	**6,430.05**	**643.00**	**6,430.05**

(d) 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.

(e) Shareholders holding more than 5% shares in the Company :-

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	8,030,228	12.49	8,030,228	12.49
HPL India Ltd	17,573,238	27.33	17,573,238	27.33
Havell's Electronics Pvt. Ltd	11,652,130	18.12	11,652,130	18.12

Notes forming part of the financial statements as at and for the year ended 31st March 2023

18 Other equity

(i) Reserves and Surplus (₹ in Lakhs)

(a) Securities Premium	As at 31st March 2023	As at 31st March 2022
Opening Balance - Securities premium	36,601.35	36,601.35
Add : Received on issue of equity shares	-	-
Less : share issue expenses	-	-
Closing Balance	**36,601.35**	**36,601.35**

Securities premium reserve

Securities premium reserve is used to record the premium on issue of securities. The reserve is utilised in accordance with the provisions of the act.

(₹ in Lakhs)

(b) General Reserve	As at 31st March 2023	As at 31st March 2022
Opening Balance - General reserve	2,571.31	2,571.31
(+) Current Year Transfer	-	-
Closing Balance	**2,571.31**	**2,571.31**

(₹ in Lakhs)

(c) Retained earnings	As at 31st March 2023	As at 31st March 2022
Opening balance - retained earnings	30,476.40	29,921.12
(+) Net Profit/(Loss) For the current year	2,775.73	711.95
(-) Dividend on Equity Shares	(96.45)	(96.45)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(12.14)	(60.22)
Closing Balance	**33,143.54**	**30,476.40**
Total Reserves & Surplus (a+b+c)	**72,316.20**	**69,649.06**

19 Borrowings

(₹ in Lakhs)

Particulars	Non-Current	
	As at 31st March 2023	As at 31st March 2022
Secured		
Term loan from banks (refer note 21)*	2,398.29	3,188.34
Vehicle loans - from banks**	21.00	15.71
Unsecured		
Loan from related party (refer note 42)	128.34	128.34
Total	**2,547.63**	**3,332.39**

*The term loan is secured as per the note given in note 21 details are below:-

1st pari passu charge on movable fixed assets with FACR 1.33 i.e. 45.63 Crores, 1st pari passu charge on immovable fixed assets and second pari passu charge on current assets of the company upto Rs. 80 Crores with other term lenders and also Personal guarantee of three promoter directors.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

Tata Capital Financial Services term loan interest @ 11.00% p.a. repayable in 36 months installments from Jan, 2020 to January, 2023 which has been extended by 5 installments due to covid moratorium.

Karnataka Bank term loan rate of interest @10.70% repayable in 60 monthly installments from July, 2019 to June, 2024 which extended till March, 2026 due to covid interest and installment moratorium.

SBM Bank (India) Ltd. term loan rate of interest @ 10.25% p.a. repayable in 46 monthly installments, starting from November, 2021 to August, 2025.

DCB Bank Limited term loan rate of interest @ 10.50% p.a. repayable in 30 equal monthly installments starting from April, 2022 to September, 2024.

Bandhan Bank Limited term loan rate of interest @ 11.35% p.a. repayable in 48 equal monthly installments starting from September, 2022 to August, 2026.

"** Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 60 instalments and last date of installment is July, 2025. The loan carries an interest rate @ 9.10% pa.

20 Provisions

(₹ in Lakhs)

Particulars	Long-term		Short-term	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
(a) Provision for employee benefits				
Gratuity	493.68	467.43	84.83	69.50
Leave Encashment	-	-	333.01	199.03
	493.68	467.43	417.84	268.53
(b) Other Provisions				
Provision for Warranties	217.81	205.00	132.05	138.94
	217.81	205.00	132.05	138.94
Total	**711.49**	**672.43**	**549.89**	**407.47**

Service warranties

Product warranties:- The company gives warranties on certain products to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of rectification/replacement.

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

(₹ in Lakhs)

Particulars	Warranty
As at 1st April 2021	**767.87**
Charged/(credited) to profit or loss	
- additional provisions recognised	100.00
- unwinding of discount	7.05
Amounts used during the year	(530.98)
As at 31st March 2022	**343.94**
Charged/(credited) to profit or loss	
- additional provisions recognisedd	62.65
- unwinding of discountt	13.42
Amounts used during the yearr	(70.15)
As at 31st March 2023	**349.86**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

21 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Loans repayable on demand		
-Secured Loans		
- From Banks	50,965.03	48,909.14
- Current maturities of long term borrowings	2,181.66	2,769.51
Total	**53,146.69**	**51,678.65**

Working capital facilities (fund based and non fund based) are availed from consortium of banks led by State Bank of India. The lead bank has linked its interest rate with 6 month MCLR + spread 2.00% p.a. and these working capital facilities are repayable on demand. Working capital facilities are secured by way of first pari passu charge over entire current assets of the Company including stock and receivables both present and future and first charge on pari passu basis over Company's entire fixed assets (excluding movable fixed assets financed by Term Lenders for aggregate term Loans upto Rs. 45.63 Crores in FACR of 1.33 on which Term lenders have first pari passu charge). Working Capital lenders have also 1st pari passu charge by way of EM on land and building with Term Lenders (for Term Loans upto Rs. 45.63 Crores) at Company's 6 manufacturing locations. Working capital facilities and term loans are also secured by personal guarantees of three promoter 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

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalentss	6,213.91	6,869.35
Long term borrowingss	(2,547.63)	(3,332.39)
Short term borrowingss	(53,146.69)	(51,678.65)
Net debt	**(49,480.41)**	**(48,141.69)**

(₹ in Lakhs)

Particulars	Cash and cash equivalents	Long term Borrowings	Current Borrowings	Total
Net debt as at 31st March 2021	6,723.01	(2,292.83)	(51,720.87)	(47,290.69)
Cash flows	146.34	-		146.34
Repayment/(Proceeds) working capital loan (net)	-	-	42.22	42.22
Repayment/(Proceeds) secured term loan		(1,039.56)		(1,039.56)
Net debt as at 31st March 2022	6,869.35	(3,332.39)	(51,678.65)	(48,141.69)
Cash flowss	(655.44)	-		(655.44)
Repayment/(Proceeds) working capital loan (net)	-	-	(1,468.04)	(1,468.04)
Repayment/(Proceeds) secured term loan	-	784.76	-	784.76
Net debt as at 31st March 2023	**6,213.91**	**(2,547.63)**	**(53,146.69)**	**(49,480.41)**

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2023 : ₹ 31,951.04/- lakhs (PY ₹ 32,010.74/- lakhs)

Notes forming part of the financial statements as at and for the year ended 31st March 2023

22 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Payables		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006 (Refer note 39)	1,625.87	1,683.42
(b) Others	19,406.60	19,646.02
Total	**21,032.47**	**21,329.44**

Trade payable ageing schedule as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	1,625.87	-	-	-	-	1,625.87
Trade payables-Others	2,486.47	16,500.85	129.67	289.61	-	19,406.60
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
Total	**4,112.34**	**16,500.85**	**129.67**	**289.61**	**-**	**21,032.47**

Trade payable ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	1,683.42	-	-	-	-	1,683.42
Trade payables-Others	5,031.47	14,384.01	17.65	212.89	-	19,646.02
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total	**6,714.89**	**14,384.01**	**17.65**	**212.89**	**-**	**21,329.44**

23 Other financial liabilities

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Expenses Payable	-	-	251.72	277.93
Interest Accrued but not due	-	-	86.40	29.09
Employee Benefits Payable	-	-	1,210.35	961.29
Security deposit received	2,835.04	1,295.18	-	-
Factoring of Debtors	-	-	636.29	349.37
Total	**2,835.04**	**1,295.18**	**2,184.76**	**1,617.68**

24 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	957.56	269.47
Unpaid Dividend	3.16	2.97
Total	**960.72**	**272.44**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

25 Revenue from operation

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Sale of Products		
Finished Goods	121,486.69	100,427.98
Total	**121,486.69**	**100,427.98**

Particulars of Sale of products

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Finished goods		
Metering & Systmes	62,268.45	43,444.05
Consumer & industrial	59,218.24	56,983.93
Total	**121,486.69**	**100,427.98**

26 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest income from financial assets at amortised cost	268.54	256.11
Other non-operating income	53.49	96.35
Total	**322.03**	**352.46**

27 Particulars of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Copper	15,472.18	12,900.24
Electronic Components	46,429.72	38,685.78
Engineering Plastic	14,887.33	9,124.94
Packing	1,114.70	922.74
Otherss	3,555.68	3,939.79
Total	**81,459.61**	**65,573.49**

28 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Inventories (at close)		
Finished Goods - at close	8,392.75	9,006.65
Work-in-Progress - at close	14,130.79	13,886.48
	22,523.54	**22,893.13**
Inventories (at commencement)		
Finished Goods - at commencement	9,006.65	9,920.58
Work-in-Progress - at commencement	13,886.48	13,719.57
	22,893.13	**23,640.15**
Total	**369.59**	**747.02**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

29 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	13,423.15	11,445.02
Contribution to provident and other funds	246.08	225.31
Staff welfare expenses	193.51	169.19
Total	**13,862.74**	**11,839.52**

30 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest Expenses	6,040.85	5,422.87
Other borrowing costs- Bank Charges	1,050.04	989.07
Total	**7,090.89**	**6,411.94**

31 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on property, plant and equipment	2,714.04	3,549.02
Depreciation of right-of-use assets	121.31	164.29
Amortisation of intangible assets	661.07	689.97
Total	**3,496.42**	**4,403.28**

32 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Power and Fuel	1,032.79	938.80
Rent	130.58	98.36
Repairs & Maintenance	929.11	1,073.58
Research & Development Expenses	884.92	935.44
Testing Expenses	587.08	325.37
Rates and taxes excluding taxes on income	151.01	128.59
Legal & Professional Expenses	518.79	447.13
Travelling & Conveyance	1,131.54	904.62
Communication Expenses	129.92	173.40
Printing & Stationery	71.66	55.73
Insurance	228.59	198.05
Membership & Subscription	13.58	2.71
Commision on sales	1,059.05	1,245.57
Provision for expected credit loss	138.38	118.19
Advertisement and business promotion	2,899.53	2,596.88
Freight Outward	1,182.20	1,278.32
Product Warranties	112.72	135.37
Loss on sale of Fixed Assets	-	3.61
Donation	2.94	1.85
Auditors remuneration	20.00	18.00
Contribution towards Corporate Social Responsibility	27.00	38.31
Miscellaneous Expenses	2.70	0.69
Total	**11,254.09**	**10,718.57**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

32 (a) Auditor's Remuneration

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Audit Fees	18.00	16.50
Tax Audit Fees	2.00	1.50
Total	**20.00**	**18.00**

32(b) Research & Development Expenditure :-

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Capital Expenditure	20.51	27.87
	20.51	**27.87**
(ii) Revenue Expenditure		
a) Employee Cost	832.29	862.32
b) Purchase of Raw Materials	39.69	67.66
c) Electricity Expenses	12.94	5.46
	884.92	**935.44**
Total	**905.43**	**963.31**

32(c) 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.

(₹ in Lakhs)

Details of CSR Expenditure	Year ended 31st March 2023	Year ended 31st March 2022
a) Gross amount required to be spent by the Company during the year	24.33	39.38
b) Amount spent during year ended 31st March 2023		
Construction/ acquisition of an asset	-	-
Contribution to other purpose other than above	27.00	38.31
Add : Excess spent amount from previous year utilized during the current year	0.41	1.48
Total amount spent	27.41	39.79
Total	**3.08**	**0.41**

33 Income tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current tax		
Current tax on profits for the year	771.18	190.90
Total current tax expense	**771.18**	**190.90**
Deferred tax		
Deferred tax expense/(income) for the period	156.95	(55.46)
MAT credit entitlement/Setoff	571.52	239.23
Total deferred tax expense/(benefit)	**728.47**	**183.77**
Income tax expense	**1,499.65**	**374.67**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March 2023	Year ended 31st March 2022
Profit before income tax expense	4,275.38	1,086.62
Tax at the Indian tax rate of 34.944% (31st March 2022 – 34.944%)	1,493.99	379.71
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	4.72	13.39
Research & development expenses	-	(9.74)
Interest on late payment	0.83	5.45
Other items	0.11	(14.14)
Income tax expense	**1,499.65**	**374.67**

34 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(i) Profit after tax	2,775.73	711.95
(ii) Weighted average number of equity shares for basic EPS	643.00	643.00
(iii) Weighted average number of equity shares for dilutive EPS	643.00	643.00
(iv) Nominal value per Equity Shares	10	10
(v) Earning Per Share (Basic)	4.32	1.11
(vi) Earning Per Share (Dilutive)	4.32	1.11

35 Fair value measurements

(₹ in Lakhs)

Financial instruments by category	31st March 2023		31st March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	54,603.24	-	46,035.69
Loans	-	307.17	-	319.29
Cash and Bank Balances	-	6,213.91	-	6,869.35
Other Financial Assets	-	1,192.32	-	1,331.25
Total financial assets	**-**	**62,316.64**	**-**	**54,555.58**
Financial liabilities				
Borrowings	-	55,694.32	-	55,011.04
Trade payables	-	21,032.47	-	21,329.44
Other Financial Liabilities	-	5,019.80	-	2,912.86
Total financial liabilities	**-**	**81,746.59**	**-**	**79,253.34**

(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.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

Assets and liabilities which are measured at amortised cost (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets				
Trade receivables	-	-	54,603.24	54,603.24
Loans	-	-	307.17	307.17
Cash and bank balances	-	-	6,213.91	6,213.91
Other financial assets	-	-	1,192.32	1,192.32
Total financial assets	**-**	**-**	**62,316.64**	**62,316.64**
Financial liabilities				
Borrowings	-	-	55,694.32	55,694.32
Trade payables	-	-	21,032.47	21,032.47
Other financial liabilities	-	-	5,019.80	5,019.80
Total financial liabilities		**-**	**81,746.59**	**81,746.59**
As at March 31, 2022				
Financial assets				
Trade receivables	-	-	46,035.69	46,035.69
Loans	-	-	319.29	319.29
Cash and bank balances	-	-	6,869.35	6,869.35
Other financial assets	-	-	1,331.25	1,331.25
Total financial assets	**-**	**-**	**54,555.58**	**54,555.58**
Financial liabilities				
Borrowings	-	-	55,011.04	55,011.04
Trade payables	-	-	21,329.44	21,329.44
Other financial liabilities	-	-	2,912.86	2,912.86
Total financial liabilities	**-**	**-**	**79,253.34**	**79,253.34**

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

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

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

There are no transfer of levels during the year.

As of 31st March 2023, 31st March 2022, the fair value of cash and bank balances, trade receivables, 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.

36 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.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(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, 2023:

Movement in Expected Credit Loss Allowance: (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
At the beginning of year	1,092.28	1,174.27
Provision during the year	138.38	118.19
Bad debts written off	(85.78)	(200.18)
Total ECL	**1,144.88**	**1,092.28**

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

Contractual maturities of financial liabilities: (undiscounted) (₹ in Lakhs)

	Less than 1 year	1 to 5 years	Total
31st March 2023			
Borrowings	53,146.69	2,547.63	55,694.32
Trade payables	21,032.47	-	21,032.47
Lease liabilities (undiscounted)	115.59	70.49	186.08
Other financial liabilities	2,079.97	2,764.55	4,844.52
Total	**76,374.72**	**5,382.67**	**81,757.39**
31st March 2022			
Borrowings	51,678.65	3,332.39	55,011.04
Trade payables	21,329.44	-	21,329.44
Lease liabilities (undiscounted)	178.66	146.77	325.43
Other financial liabilities	1,503.19	1,112.77	2,615.96
Total	**74,689.94**	**4,591.93**	**79,281.87**

(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 2023. 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 2023.

(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. The Company's exposure to the risk of changes in market interest rates relates primarily to the short term debt obligation at floating interest rates.The Company's borrowings outstanding as at March 31,2023 comprises of floating rate loans and accordingly, are expose to risk of fluctuation in market interest rate.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

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 2023	31st March 2022
Interest rate (increase by 100 basis points)*	(556.94)	(550.11)
Interest rate (decrease by 100 basis points)*	556.94	550.11

* 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 receivables and 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 (₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Trade receivables				
United States Dollar (USD)	18.66	1,533.19	22.58	1,712.79
Great Britain Pound (GBP)	3.46	350.17	3.01	299.98
Australian Dollar (AUD)	0.72	39.73	-	-
Net exposure to foreign currency risk (assets)		**1,923.09**		**2,012.77**
Trade payables				
United States Dollar (USD)	38.61	3,173.09	54.52	4,134.93
Euro (EUR)	0.07	5.88	0.02	1.31
Net exposure to foreign currency risk (liabilities)		**3,178.97**		**4,136.24**

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 2023	31st March 2022
USD sensitivity		
INR/USD - Increase by 1%*	(16.40)	(24.22)
INR/USD - Decrease by 1%*	16.40	24.22
EUR sensitivity		
INR/EUR - Increase by 1%*	(0.06)	(0.01)
INR/EUR - Decrease by 1%*	0.06	0.01
GBP sensitivity		
INR/GBP - Increase by 1%	3.50	3.00
INR/GBP - Decrease by 1%	(3.50)	(3.00)
AUD sensitivity		
INR/AUD - Increase by 1%	0.01	-
INR/AUD - Decrease by 1%	(0.01)	-

* Holding other variables constant

Notes forming part of the financial statements as at and for the year ended 31st March 2023

37 Capital management

(a) Risk 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 2023, 31st March 2022.

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

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Borrowings	55,694.32	55,011.04
Cash and Bank Balances	(6,213.91)	(6,869.35)
Net debt	**49,480.41**	**48,141.69**
Equity	**78,746.25**	**76,079.11**
Net debt to equity ratio	**62.84%**	**63.28%**

(₹ in Lakhs)

(b) Dividends	31st March 2023	31st March 2022
(i) Equity shares		
Final dividend for the year ended 31st March 2022 of INR 0.15 (31 March 2021 – INR 0.15) per fully paid share	96.45	96.45

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.00 per (10%) fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

38 Leases

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been included in other financial liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics

(i) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2023.

(₹ in Lakhs)

Particulars	FY 22-23	FY 21-22
	ROU Asset Leashold Buildings	ROU Asset Leashold Buildings
Gross carrying value		
As at 01 April	274.17	497.39
Additions	-	245.69
Deletion during the year	-	(304.62)
Depreciation of Right of use assets	(121.31)	(164.29)
Net carrying value 'As at 31 March	**152.86**	**274.17**

ii) The following is the carrying value of lease liability for the year ended March 31, 2023 (₹ in Lakhs)

Particulars	Leashold Buildings	Leashold Buildings
As at 01 April	296.90	557.67
Additions	-	245.69
Finance cost accrued during the year	24.04	31.24
Deletion during the year	-	(350.55)
Payment of lease liabilities	(145.66)	(187.15)
Net carrying value 'As at 31 March	**175.28**	**296.90**
Current maturities of Lease Liability	104.79	114.49
Non-Current Lease Liability	70.49	182.41

Note: The company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

39 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

a) Principal amount and the interest due (Interest ₹ Nil) thereon remaining unpaid to any supplier at the period ending 31st March, 2023 - ₹ 1,625.87/- lakhs (P.Y. ₹ 1,683.42/- lakhs)

b) 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, 2023 – Nil (P.Y. Nil)

c) 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)

d) Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2023 – Nil (P.Y. Nil)

Notes forming part of the financial statements as at and for the year ended 31st March 2023

40 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, recognized as expenses for the period are as under : (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March, 2022
Employer's contribution to Provident Fund	231.47	209.47
Employer's contribution to ESI	12.18	12.58
Employer's contribution to Welfare Fund	2.44	3.28
Total	**246.09**	**225.33**

b Defined Benefit Plans

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

i) Reconciliation of opening and closing balance of Defined Benefit Obligation (₹ in Lakhs)

Particulars	Gratuity (Non Funded)	
	As at 31st March 2023	As at 31st March, 2022
Defined Benefit obligation at beginning of the year	536.93	455.71
Current Service Cost	71.54	68.15
Past Service Cost	-	-
Interest Cost	38.93	33.04
Benefits paid	(87.55)	(112.54)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	18.66	92.57
Defined Benefit obligation at end of the year	**578.51**	**536.93**

Net defined benefit asset/ (liability) recognised in the balance sheet (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March, 2022
Present value of defined benefit obligation	578.51	536.93
Amount recognised in Balance Sheet- Asset / (Liability)	**578.51**	**536.93**

ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year) (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March, 2022
Current Service Cost	71.54	68.15
Past Service Cost	-	-
Interest Cost	38.93	33.04
Net defined benefit expense debited to statement of profit and loss	**110.47**	**101.19**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

iii) Remeasurement of (Gain)/loss recognised in other comprehensive income (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March, 2022
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	18.66	92.57
Recognised in other comprehensive income	**18.66**	**92.57**

iv) Principal assumptions used in determining defined benefit obligation

Mortality table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Discount Rate	7.50 % p.a	7.25 % p.a
Rate of escalation in salary(per annum)	5.00 % p.a	5.00 % p.a
Withdrawal rate (Per Annum)	1 - 5 % p.a	1 - 5 % p.a

a) 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.

b) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

v) Quantitative sensitivity analysis for significant assumptions is as below: (₹ in Lakhs)

Increase / (decrease) on present value of defined benefits obligations at the end of the year	As at 31st March 2023	As at 31st March, 2022
Discount Rate		
Increase by 1%	530.22	489.30
Decrease by 1%	634.46	592.46
Salary Increase		
Increase by 1%	635.31	593.15
Decrease by 1%	528.71	487.93
Attrition Rate		
Increase by 1%	587.44	545.02
Decrease by 1%	568.40	527.72

vi) Maturity profile of defined benefit obligation (undiscounted) (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March, 2022
Within the next 12 months (next annual reporting period)	84.83	69.50
Between 2 and 5 years	69.06	64.90
Between 5 and 10 years	424.62	402.53
Total expected payments	**578.51**	**536.93**

vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31st March 2022: 13 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.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

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.

x) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

41 Segment Reporting

a) 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 is organised into business units based on its products and services and has identified two reportable segments viz Metering & systems, Consumer & Industrial on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

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

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

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

(₹ in Lakhs)

	Particulars	As at 31st March 2023	As at 31st March, 2022
(A)	**Segment Revenue**		
	Metering & systems	62,268.45	43,444.05
	Consumables & Industrial	59,218.24	56,983.93
		121,486.69	**100,427.98**
(B)	**Results**		
	Segment Results		
	Metering & systems	8,285.53	4,738.82
	Consumables & Industrial	7,003.63	6,061.25
		15,289.16	**10,800.07**
	Unallocated expenses net of income	3,922.89	3,301.51
	Operating Profit	11,366.27	7,498.56
	Interest Expenses	7,090.89	6,411.94
	Profit before tax	4,275.38	1,086.62
	Tax Expenses	1,499.65	374.67
	Profit after tax	**2,775.73**	**711.95**
(C)	**Other Information**		
	Segment Assets		
	Metering & systems	75,568.33	67,108.39
	Consumables & Industrial	81,242.93	82,888.01
	Unallocated	6,078.96	6,985.29
		162,890.22	**156,981.69**

Notes forming part of the financial statements as at and for the year ended 31st March 2023

Segment Liabilities		
Metering & systems	16,254.78	12,240.06
Consumables & Industrial	12,175.48	13,447.72
Unallocated	55,713.71	55,214.82
	84,143.97	**80,902.60**
Capital Expenditure		
Metering & systems	3,553.21	1,975.01
Consumables & Industrial	194.33	780.64
	3,747.54	**2,755.65**
Depreciation		
Metering & systems	1,640.91	1,973.78
Consumables & Industrial	1,855.51	2,429.50
	3,496.42	**4,403.28**
Segment Revenue		
The following is the distribution of Company's revenue by geographical market :-		
Domestic Market	116,885.26	95,568.78
Overseas Market	4,601.42	4,859.20
	121,486.68	**100,427.98**

42 Related Party Disclosure

(i) Name of related parties with and description of relationship :

(A) Subsidiary Company :

(1) Himachal Energy Pvt. Ltd.

(2) HPL Electric & Power Pvt.Ltd.- Shriji Designs (JV)

(3) HPL Electric & Power Pvt.Ltd. -Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs (JV)

(B) Entities in which directors are interested :

(1) HPL India Ltd.

(2) HPL Power Corporation Ltd.

(3) Havells Electronics Pvt. Ltd.

(4) Amerex Pvt. Ltd.

(5) Jesons Impex Pvt. Ltd.

(6) Havells Pvt. Ltd.

(7) Seth Inder Narain Trust

(C) Key Management Personnel :

(1) Mr. Lalit Seth

(2) Mr. Rishi Seth

(3) Mr. Gautam Seth

(4) Mr. Vivek Kumar

(D) Non Executive Directors

(1) Mr. Hargovind Sachdev

(2) Mrs. Rashmi Viz

(3) Mr. Dhruv Goyal

(E) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth

(2) Mrs. Pooja Seth

(3) Mrs. Vani Seth

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(iii) Key management personnel compensation (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Short-term employee benefits	675.69	618.89
Dividend paid during the year	18.74	18.56
Total Compensation	**694.43**	**637.45**

(iv) Details of tranactions with Related Parties:- (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Purchase of goods		
1. Himachal Energy Pvt. Ltd	396.66	1,162.07
2. HPL India Ltd	-	647.28
Purchase of Services		
1. HPL India Ltd	809.12	361.11
Purchase of Assets		
1. Himachal Energy Pvt. Ltd	1,019.95	1,758.86
2. HPL India Ltd	-	72.00
Sale of goods		
1. Himachal Energy Pvt. Ltd	5,938.48	4,245.17
Security Deposit Received		
Havells Electronics Pvt. Ltd	1,500.00	-
Dividend paid to related parties		
1. Havells Electronics Pvt. Ltd	17.48	17.48
2. Havells Pvt. Ltd	4.26	4.26
3. HPL India Ltd	26.36	26.36
4. Jesons impex Pvt Ltd	0.04	0.04
Loan taken from entities in which directors are interested :		
1. Havells Electronics Pvt. Ltd	-	15.73
2. Havells Pvt. Ltd	-	3.84
3. HPL India Ltd	-	23.75
Transaction with Key Managerial Person		
1. Managerial Remuneration	675.69	618.89
2. Director sitting fees	9.90	10.90
3. Dividend Paid	18.74	18.56
4. Loan from directors	-	19.77
Transaction with relatives of Key Managerial Person		
2. Dividend Paid	3.20	3.20

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(v) Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Subsidiary Companies		
Himachal Energy Pvt. Ltd.	5,400.00	5,400.00
Advance to Joint Venturs		
1. HPL ELECTRIC & POWER PRIVATE LIMITED- THCPL-SD(JV)	132.46	132.46
2. HPL ELECTRIC & POWER PRIVATE LIMITED- SHRIJI DESIGNS (JV)	68.90	68.90
Deferred Receivables		
1. HPL India Ltd	802.74	822.14
Capital Advance		
1. HPL India Ltd	528.66	498.37
Loans and advances		
1. Himachal Energy Pvt. Ltd	2,460.87	1,656.63
Security Deposit		
Havells Electronics Pvt. Ltd	1,500.00	-
Loan outstanding		
1. Havells Electronics Pvt. Ltd	32.23	32.23
2. Havells Pvt. Ltd	7.84	7.84
3. HPL India Ltd	48.00	48.00
4. Directors	40.27	40.27

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2023, 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.

All outstanding balances are unsecured and are repayable in cash

43 The Company do not have any outstanding commercial paper period ending 31st March, 2023. (P Y ₹ Nil)

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

45 Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	27.89	35.40

Notes forming part of the financial statements as at and for the year ended 31st March 2023

46 Contingent Liabilities:

(₹ in Lakhs)

S. No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
1	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	16.40	16.40
2	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	82.49	82.49
3	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13	1.01	1.01
4	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	1.13	1.13
5	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	25.51	25.51
6	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	17.83	17.83
7	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	4.78	4.78
8	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	18.45	18.45
9	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	10.06	10.06
10	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	49.22	49.22
11	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2011-12	23.19	23.19
12	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	4.38	4.38
13	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	163.04	163.04
14	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	8.87	8.87
15	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2011-12	23.39	23.39
16	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2012-13	23.67	23.67
17	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2013-14	80.59	80.59
18	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	4.80	72.95
19	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2014-15	12.05	25.35
20	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	18.38	18.38

Notes forming part of the financial statements as at and for the year ended 31st March 2023

S. No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
21	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Final demand after Rectification on 31.07.2017 (Revision Pending)	3.61	3.61
22	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2012-13	1.97	1.97
23	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2013-14	3.73	3.73
24	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2014-15	0.52	0.52
25	Haryana Vat Act, 2003	Haryana Tax Tribunal-Rohtak-Appeal pending before the Jt.ETC(A),Rohtak for 2010-11	33.95	33.95
26	Haryana Vat Act, 2003	Demand for sales tax before Dy. Excise & Taxation Commissioner (ST),Sonepat for 2014-15	10.14	10.14
27	Haryana Vat Act, 2003	Demand for sales tax before Jt Excise Excise & Taxation Commissioner, Ambala for 2014-15	55.74	55.74
28	Incomet Tax Act, 1961	Income Tax demand before Asstt. Commissioner of Income Tax, Delhi for AY-2017-18	28.72	28.72
29	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	41.89	41.89
30	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2014-15	97.13	97.13
31	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	75.76	75.76
32	Central Excise Act, 1944	Demand for Excise Duty before Deputy Comm.Central GST Gurgram for 2016-17.	1.72	1.72
33	Finance Act, 1994	Demand for Service Tax Credit before Asstt. Commissioner Gurugram for 2015-16 to 2017-18	14.78	14.78
34	Custom Act,1962	Demand for Custom Duty before Adl./Joint Comm./Customs Gr-VA,ACC Import New Custom House New Delhi for 2018-19	22.67	22.67
35	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	73.54	73.54
36	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	37.23	37.23
37	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2017-18	68.87	68.87
38	CGST Act, 2017	Asst. Commissioner CGST division, Parwanoo, jabli Himachal	4.33	-

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.

Notes forming part of the financial statements as at and for the year ended 31st March 2023

47 Additional Regulatory information

S No	Particulars	Numerator	Denomiator	Current Year	Previous Year	Variance
1	Current ratio	Current assets	Current liabilities	1.46	1.42	2.55%
2	Debt-Equity ratio	Total Debt (Including lease liabilities)	Shareholder's equity	0.71	0.73	-2.41%
3	Debt service coverato ratio	Earnings available for debt service*	Debt Service**	1.50	1.29	16.07%
4	Return on equity ratio	Net profits after taxes	Average shareholders equity	3.62%	0.96%	277.77%
5	Inventory Turnover ratio	Revenue from operations	Average Inventory	2.55	2.20	15.91%
6	Trade receibavles turnover ratio	Revenue from operations	Average trade receivables	2.41	2.10	14.76%
7	Trade payable turnover ratio	Net credit pruchases	Average trade payables	3.76	3.68	2.22%
8	Net capital turnover ratio	Revenue from operations	Average working capital	3.58	3.24	10.46%
9	Net profit ratio	Net profits for the year	Revenue from operations	2.27%	0.71%	220.89%
10	Return on capital employed	Profit before interest and taxes	Capital employed***	7.86%	5.82%	35.05%
11	'Return on Investments	Profit before interest and taxes	Average total Assets	6.45%	4.83%	33.54%

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

** Interest + Principle repayments

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

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

(i) Return on equity ratio, Net profit ratio, ROCE and ROI is improved due to growth in revenue with stable margins.

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

(I) Details of Benami property: No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(II) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes forming part of the financial statements as at and for the year ended 31st March 2023

(III) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(IV) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(V) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(VI) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(VII) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(VIII) The company has not granted any loans or advances in the nature of loans either repayable on demand

49 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding year ending 31st March, 2023.

For and on behalf of the Board

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGU1157

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Place : New Delhi
Dated : 29.05.2023

Independent Auditor's Report

To the Members of **HPL ELECTRIC & POWER LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HPL ELECTRIC & POWER LIMITED (hereinafter referred to as the 'Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2023, Consolidated statement of Profit and Loss, Consolidated Statement of changes in equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 consolidated state of affairs of the Group and of its joint ventures as at 31 March 2023, of consolidated profit/ loss and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matter was addressed in our Audit
Revenue recognition – Fixed price development contracts Revenue recognition in respect of fixed price contracts involves critical estimates. Estimated effort is a critical estimate to determine revenue and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ➢ Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. ➢ Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. ➢ Selected a sample of contracts and through inspection of evidence of performance of these controls tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. ➢ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. ➢ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. ➢ Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

Information other than the financial statements and Auditors' report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the consolidated financial statements and our Auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of Accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements and other financial information in respect of subsidiary companies whose financial statements include total assets of Rs. 15,367.13 lakhs as at 31 March 2023, total revenues of Rs. 10,742.09 lakhs, total net profit after tax of Rs. 249.11 lakhs , total comprehensive income of Rs. 243.12 lakhs and net cash inflows of Rs. (337.59) lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on report of such auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and its joint ventures, none of the Directors of the Group company, its subsidiaries and joint ventures, is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

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

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

a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position– Refer Note 47 to the consolidated financial statements.

b. The Group, and its joint ventures, did not have any material foreseeable losses on long-term contracts including derivative contracts.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

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

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

(iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

f. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid by the Holding Company and its subsidiaries to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **SAKSHI & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 025099N

SAKSHI KHARABANDA
Proprietor
Membership No. 523802
UDIN : 23523802BGUWGT3178

Place : New Delhi
Date : 29 May 2023

Annexure I: List of entities consolidated as at 31 March 2023:

1. Himachal Energy Private Limited
2. HPL Electric & Power Ltd.-Shriji Designs
3. HPL Electric & Power Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs

Annexure'A' to the Independent Auditor's Report

Report on Internal Financial Controls with reference to Consolidated Financial Statements

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

We have audited the Internal financial controls over financial reporting of HPL ELECTRIC & POWER LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company, its subsidiaries and its joint ventures, as of that date for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiaries and joint ventures, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("ICAI"). 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 the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Internal financial controls over financial reporting of the Parent, its subsidiaries and joint ventures being incorporated in India, 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 with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate 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 on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by auditors of the subsidiaries and joint ventures, which are incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal financial controls system over financial reporting with reference to consolidated financial statements of the Parent, its subsidiaries and joint ventures, which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal financial control 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 purposes in accordance with generally accepted Accounting principles. A Company's Internal financial control 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 statements in accordance with generally accepted accounting principles, and that 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 prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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 control over financial reporting may become inadequate because of changes 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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiaries and joint ventures, which are incorporated in India, have, 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, 2023, based on the criteria for Internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiaries and joint ventures, which are incorporated in India, is based solely on the corresponding reports of the auditors of such entities.

Our opinion is not modified in respect of the above matter.

For SAKSHI & ASSOCIATES
Chartered Accountants
Firm's Registration No. : 025099N

SAKSHI KHARABANDA
Proprietor
Membership No. 523802
UDIN : 23523802BGUWGT3178

Place : New Delhi
Date : 29 May 2023

Consolidated Balance Sheet

as at 31st March 2023

(₹ in Lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	44,987.53	43,763.85
Capital work in progress	4	872.32	1,016.31
Right of use Assets	5	152.86	274.17
Intangible assets	6	-	661.07
Financial assets			
ii. Loans	7	238.03	265.22
Deferred tax assets (Net)	8	2,163.56	2,943.42
Other non-current assets	9	1,332.28	1,321.97
		49,746.58	**50,246.00**
Current assets			
Inventories	10	48,602.36	50,673.19
Financial assets			
i. Trade receivables	11	60,281.26	50,519.10
ii. Cash and cash equivalents	12	3,305.42	3,908.04
iii. Bank balances other than (ii) above	13	3,726.82	4,117.23
iv. Loans	7	77.66	62.59
v. Other financial assets	14	1,336.67	1,601.50
Current tax assets (Net)	15	9.93	155.98
Other current assets	9	2,986.03	2,501.74
		120,326.15	**113,539.37**
Total Assets		**170,072.73**	**163,785.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	6,430.05	6,430.05
Other equity			
Other equity	17	72,922.22	70,018.83
Equity attributable to equity holders of the parent Company		79,352.27	76,448.88
Non-controlling interests		182.49	175.56
Total equity		**79,534.76**	**76,624.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	4,697.86	5,847.12
ii. Lease liabilities		70.49	182.41
iii. Other financial liabilities	22	2,835.04	1,295.18
Provisions	19	783.65	729.77
Total Non-Current Liabilities		**8,387.04**	**8,054.48**
Current liabilities			
Financial liabilities			
i. Borrowingss	20	55,117.36	53,602.88
ii. Lease liabilities		104.79	114.49
iii. Trade payables	21		
a) total outstanding dues of micro enterprises and small enterprises		2,341.80	2,324.38
b) total outstanding dues of creditors other than micro enterprises and small enterprises		20,665.20	20,539.42
iv. Other financial liabilities	22	2,283.15	1,711.61
Other current liabilities	23	1,058.30	369.63
Provisions	19	580.33	444.04
Total Current Liabilities		**82,150.93**	**79,106.45**
Total Liabilities		**90,537.97**	**87,160.93**
Total Equity and Liabilities		**170,072.73**	**163,785.37**

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants
Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGT3178

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Consolidated Statement of profit and loss

for the year ended 31st March 2023

(₹ in Lakhs)

	Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
	Income:			
I.	Revenue from operations	24	126,220.87	101,395.47
II.	Other income	25	356.31	419.76
III.	**Total income (I + II)**		**126,577.18**	**101,815.23**
IV.	**Expenses:**			
	Cost of materials consumed	26	84,022.86	64,526.42
	Changes in inventories of finished goods, work-in-progress	27	152.49	739.22
	Employee benefits expense	28	14,380.97	12,383.98
	Finance cost	29	7,537.91	6,831.53
	Depreciation and amortization expenses	30	3,836.41	4,707.65
	Other expenses	31	11,977.76	11,232.95
	Total expenses		**121,908.40**	**100,421.75**
V.	**Profit before tax (III-IV)**		**4,668.78**	**1,393.48**
VI.	Tax expense:			
	(1) Current tax	32	855.22	265.63
	(2) Deferred tax	32	788.67	347.39
VII.	**Profit for the year (V-VI)**		**3,024.89**	**780.46**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(26.95)	(92.71)
	Income tax relating to these items		8.83	32.39
	Other comprehensive income for the year, net of tax		**(18.12)**	**(60.32)**
VIII.	**Total comprehensive income for the year, net of tax**		**3,006.77**	**720.14**
	Profit for the year attributable to			
	Equity shareholders of parent company		3,017.79	777.31
	Non controlling interests		7.10	3.15
			3,024.89	**780.46**
	Total comperhensive income for the year attributable to			
	Equity shareholders of parent company		2,999.84	716.99
	Non controlling interests		6.93	3.15
			3,006.77	**720.14**
VIII.	Earnings per equity share of ₹10/- each	33		
	(1) Basic		4.69	1.21
	(2) Diluted		4.69	1.21

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGT3178

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Consolidated Cash Flow Statement

for the year ended 31st March 2023

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash flow from operating activities	**Audited**	**Audited**
Net profit/ (loss) before tax	4,668.78	1,393.48
Adjustments for :		
- Depreciation and amortisation expenses	3,836.41	4,707.65
- Finance expenses	7,537.91	6,831.53
- Interest income	(301.41)	(322.47)
- Loss / (profit) on sale of fixed assets	(2.34)	3.64
Operating profit before working capital changes	**15,739.35**	**12,613.83**
Adjustments for :		
Decrease/(increase) in trade receivables	(9,742.76)	827.45
Decrease/(increase) in other financial and non-financial assets	(233.95)	229.68
Decrease/(increase) in inventories	2,070.83	(6,378.47)
(Decrease)/increase in trade payables	143.21	3,854.42
(Decrease)/increase in other financial, non financial liabillities and provisions	3,100.48	(720.02)
Cash generated from operations	**11,077.16**	**10,426.89**
- Taxes paid (net of refunds)	(709.16)	(322.84)
Net cash from operating activities	**10,368.00**	**10,104.05**
B. Cash flow from investing activities		
- Purchase of property, plant & equipment and intangible assets	(4,320.33)	(3,491.72)
- (increase)/ decrease in capital work in progress	143.99	(850.18)
- Payment for acquiring right of use of assets	(121.31)	(155.91)
- Proceeds from Sale of property, plant and equipments	14.36	45.99
- Interest income received	301.41	322.47
Net cash used in investing activities	**(3,981.88)**	**(4,129.35)**
C. Cash flow from financing activities		
- Proceeds/(Repayment) from working capital loan (net)	1,514.48	(215.28)
- Proceeds/(Repayment) from secured long term loan	(1,259.27)	1,339.88
- Repayment of lease liabilities interest portion	(24.04)	(31.24)
- Finance expenses	(7,513.87)	(6,800.29)
- Payment of dividend	(96.45)	(96.45)
Net cash used in financing activities	**(7,379.15)**	**(5,803.38)**
Net changes in cash & cash equivalents (a+b+c)	(993.03)	171.32
Cash & cash equivalents at the beginning of the year	8,025.27	7,853.95
Cash & cash equivalents at the end of the year	7,032.24	8,025.27

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGT3178

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Statement of changes in equity

for the year ended 31st March 2023

I) Equity Share Capital

(₹ in Lakhs)

Particulars	Notes	Amounts
Balance as at 1st April 2021		6,430.05
Changes during the year	16	-
Balance as at 31st March 2022		6,430.05
Changes during the year	16	-
Balance as at 31st March 2023		6,430.05

II) Other equity

(₹ in Lakhs)

Particulars	Notes	Security premium	Capital reserve	General reserve	Retained earnings	Total
Balance as at 1st April 2021	**17**	**36,601.35**	**(1,933.84)**	**3,788.31**	**30,942.47**	**69,398.29**
Profit for the year		-		-	777.31	777.31
Other comprehensive income		-		-	(60.32)	(60.32)
Total comprehensive income		-	-	-	716.99	716.99
Transaction with owners in their capacity as owners:						
Final equity dividend					(96.45)	(96.45)
Tax on final equity dividend					-	-
Balance as at 31st March 2022		**36,601.35**	**(1,933.84)**	**3,788.31**	**31,563.01**	**70,018.83**
Profit for the year		-		-	3,017.79	3,017.79
Other comprehensive income					(17.95)	(17.95)
Total comprehensive income		-		-	2,999.84	2,999.84
Transaction with owners in their capacity as owners:						
Final equity dividend		-		-	(96.45)	(96.45)
Tax on final equity dividend		-		-	-	-
Balance as at 31st March 2023		**36,601.35**	**(1,933.84)**	**3,788.31**	**34,466.40**	**72,922.22**

The accompanying notes are an integral part of financial statements

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGT3178

Place : New Delhi
Dated : 29.05.2023

For and on behalf of the Board

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Notes forming part of the consolidated financial statements

for the year ended 31st March 2023

Note-1

COMPANY OVERVIEW

HPL Electric & Power Limited ('the Company') and its subsidiaries (collectively referred to as "Group") is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/20, Asaf Ali Road, New Delhi. The Group is one of the leading players and India's fastest growing electrical and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Energy Saving Meters, CFL & LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches covering the entire range of household, commercial and industrial electrical needs.

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

The Financial statements were approved by the Board of Directors for issue in accordance with resolution passed on May 29, 2023.

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.

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) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

C) 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on buildings, machinery and equipments has been provided on straight-line basis over the estimated useful lives of the respective assets. Intangibale 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- 35-45 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.

D) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at costless 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 Group 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.

E) 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 Group 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.

F) 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.

d) **Investment in subsidiaries**

The Group 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 Group has elected to present the value changes in 'Other Comprehensive Income'.

E) **Impairment of financial assets**

In accordance with Ind AS 109, the Group 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 Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group 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 Group 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.

G) **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 Group 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 Group, and the amount of the dividend can be measured reliably.

H) **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.

I) Revenue Recognition

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

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

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

J) Contract Balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the Company's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

K) 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 Groul pays specified contributions to a separately entity. The Group has defined contribution plans for the post-employment benefits namely provident fund scheme. The Group'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 Group 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 Group recognises the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit or loss:

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

- Net Interest expense

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

Termination benefits are recognized as an expense immediately.

L) 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.

M) 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, repectively.

N) Lease

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

Company as a lessee

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

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)

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

Lease Liabilities

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

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

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

Short-term leases and leases of low-value assets

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

Company as a lessor

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

O) Foreign Currency Transactions

Items included in the financial statements of the Group 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 Group'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.

P) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- 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.

Q) Provisions and Contingent liabilities

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Group 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 Group 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 Group does not recognise a contingent liability but disclose its existence in the financial statements unless the probability of outflow of resource is remote.

R) Other Operating Revenues

i) 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.

ii) Export Benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable

S) 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.

T) 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.

U) 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.

V) 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.

W) 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 Group or the counterparty.

X) 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.

Y) Changes in significant accounting policies

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

Z) Recent accounting pronouncements

New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the companies accounting policy already complies with the now mandatory treatment.

AA) Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 Group 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 Group. 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 37.

b) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group'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. A warranty provision 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 Group'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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

3 Property, plant and equipment

(₹ in Lakhs)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2022	Additions	Deletion / Adjustment	31st March 2023	1st April 2022	For the year	Deletion / Adjustment	31st March 2023	31st March 2023
1	Freehold Land	14,395.01	-	-	14,395.01	-	-	-	-	14,395.01
2	Building	10,040.92	-	-	10,040.92	1,697.99	246.36	-	1,944.35	8,096.57
3	Plant & Machinery	33,513.73	4,188.67	(174.93)	37,527.47	13,203.16	2,649.01	(160.40)	15,691.77	21,835.70
4	Furniture & Fittings	510.88	39.40	(1.43)	548.85	230.22	49.52	(4.22)	275.52	273.33
5	Office Equipment	260.06	12.95	(9.09)	263.92	164.45	32.42	(8.56)	188.31	75.61
6	Vehicles	649.52	49.02	(15.12)	683.42	310.71	76.67	(15.10)	372.28	311.14
7	Computers	0.90	-	-	0.90	0.64	0.05	0.04	0.73	0.17
	TOTAL	**59,371.02**	**4,290.04**	**(200.57)**	**63,460.49**	**15,607.17**	**3,054.03**	**(188.24)**	**18,472.96**	**44,987.53**

(₹ in Lakhs)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2021	Additions	Deletion / Adjustment	31st March 2022	1st April 2021	For the year	Deletion / Adjustment	31st March 2022	31st March 2022
1	Freehold Land	14,395.01	-	-	14,395.01	-	-	-	-	14,395.01
2	Building	10,040.92	-	-	10,040.92	1,398.07	299.92	-	1,697.99	8,342.93
3	Plant & Machinery *	30,540.75	2,973.00	(0.02)	33,513.73	9,811.07	3,392.09	-	13,203.16	20,310.57
4	Furniture & Fittings	457.00	53.88	-	510.88	184.37	45.85	-	230.22	280.66
5	Office Equipment	252.78	7.28	-	260.06	126.61	37.84	-	164.45	95.61
6	Vehicles	683.65	38.43	(72.56)	649.52	256.06	77.62	(22.97)	310.71	338.81
7	Computers	0.90	-	-	0.90	0.57	0.07	-	0.64	0.26
	TOTAL	**56,371.01**	**3,072.59**	**(72.58)**	**59,371.02**	**11,776.75**	**3,853.39**	**(22.97)**	**15,607.17**	**43,763.85**

a) Refer note 18 and 20 for information on property, plant & equipment pledged as security by the Company

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

4 CWIP ageing schedule as at 31 March 2023

(₹ in Lakhs)

S No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Mould and tools	872.32	-	-	-	872.32
	Total	**872.32**	**-**	**-**	**-**	**872.32**

CWIP ageing schedule as at 31 March 2022

(₹ in Lakhs)

S No	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Mould and tools	1,016.31	-	-	-	1,016.31
	Total	**1,016.31**	**-**	**-**	**-**	**1,016.31**

5 Right of use assets

(₹ in Lakhs)

Particulars	FY 22-23 Leashold Buildings	FY 21-22 Leashold Buildings
Gross carrying value		
As at 01 April	637.04	963.05
Additions	-	245.69
Deisposals	-	(571.70)
As at 31 March	**637.04**	**637.04**
Accumlated depreciaiton		
As at 01 April	362.87	465.67
Additions	121.31	164.29
Deisposals	-	(267.08)
As at 31 March	**484.18**	**362.87**
Net carrying value		
As at 31 March	**152.86**	**274.17**

6 Intangible assets

(₹ in Lakhs)

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2022	Additions	Deletion / Adjustment	31st March 2023	1st April 2022	For the year	Deletion / Adjustment	31st March 2023	31st March 2023
1	Software & Designs	4,842.74	-	-	4,842.74	4,181.67	661.07	-	4,842.74	-
	TOTAL	**4,842.74**	**-**	**-**	**4,842.74**	**4,181.67**	**661.07**	**-**	**4,842.74**	**-**

(₹ in Lakhs)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block
		1st April 2021	Additions	Deletion / Adjustment	31st March 2022	1st April 2021	For the year	Deletion / Adjustment	31st March 2022	31st March 2022
1	Software & Designs	4,842.74	-	-	4,842.74	3,491.70	689.97	-	4,181.67	661.07
	TOTAL	**4,842.74**	**-**	**-**	**4,842.74**	**3,491.70**	**689.97**	**-**	**4,181.67**	**661.07**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

7 Loans

(Unsecured, considered good) (₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Security Deposits	238.03	265.22	77.66	62.59
Total	**238.03**	**265.22**	**77.66**	**62.59**

8 Deferred tax assets

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
The balance comprises temporary differences attributable to:		
Provision for employee benefits	368.76	295.18
Provision for warranties	112.39	115.01
Provision for doubtful debts	680.60	662.22
Property, plant and equipment	(2,808.26)	(2,561.25)
Others	581.57	609.12
MAT credit	3,228.50	3,823.14
Total deferred tax assets	**2,163.56**	**2,943.42**

Movement in deferred tax assets

(₹ in Lakhs)

Particulars	Provision for employee benefits	Provision for warranties	Provision for doubtful debts	Total
At 1st April 2021	**280.89**	**263.15**	**620.92**	**1,164.96**
(Charged)/credited:				-
- to profit or loss	14.29	(148.14)	41.30	(92.55)
- to other comprehensive income	-	-	-	-
At 31st March 2022	**295.18**	**115.01**	**662.22**	**1,072.41**
(Charged)/credited:				
- to profit or losss	73.58	(2.62)	18.38	89.34
- to other comprehensive incomes	-	-	-	-
At 31st March 2023	**368.76**	**112.39**	**680.60**	**1,161.75**

Particulars	Property, plant and equipment	Others	MAT Credit	Total
At 1st April 2021	**(2,770.01)**	**663.57**	**4,199.90**	**2,093.46**
(Charged)/credited:				-
- to profit or loss	208.76	(54.45)	(376.76)	(222.45)
- to other comprehensive income	-	-		-
At 31st March 2022	**(2,561.25)**	**609.12**	**3,823.14**	**1,871.01**
(Charged)/credited:				
- to profit or losss	(247.01)	(27.55)	(594.64)	(869.20)
- to other comprehensive incomes	-	-		-
At 31st March 2023	**(2,808.26)**	**581.57**	**3,228.50**	**1,001.81**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

9 Other assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Capital advances to related parties	528.66	498.37	-	-
Receivable on deferred basis to related parties	802.74	822.14	-	-
Prepaid Expenses	0.88	1.46	490.00	270.89
Balance with government authorities	-	-	1,583.32	1,492.05
Advance to Suppliers*	-	-	904.77	681.40
Duty Drawback Recoverable	-	-	7.94	57.40
Total	**1,332.28**	**1,321.97**	**2,986.03**	**2,501.74**

10 Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
a. Raw Materials and components		
(i) Raw materials	24,460.64	26,622.05
(ii) Material-in-transit	520.76	278.10
b. Work-in-progress	15,056.01	14,671.53
c. Finished goods	8,529.69	9,066.66
d. Stores and spares	35.26	34.85
Total	**48,602.36**	**50,673.19**

11 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Considered good*	60,281.26	50,519.10
(ii) Considered doubtful	1,694.70	1,642.10
	61,975.96	52,161.20
Less: Provision for doubtful receivables	(1,694.70)	(1,642.10)
Total	**60,281.26**	**50,519.10**

Trade receivable ageing schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable-Considered good	40,084.45	9,843.09	3,645.27	2,435.96	1,009.49	3,263.00	60,281.26
Undisputed trade receivable-Credit impaired	-	-	-	-	-	1,694.70	1,694.70
Disputed trade receivable-Considered good	-	-	-	-	-		-
Disputed trade receivable-Credit impaired	-	-	-	-	-		-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(1,694.70)	(1,694.70)
Total	**40,084.45**	**9,843.09**	**3,645.27**	**2,435.96**	**1,009.49**	**3,263.00**	**60,281.26**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Trade receivable ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable- Considered good	32,754.05	9,308.19	2,172.37	1,968.22	1,624.59	2,691.68	50,519.10
Undisputed trade receivable-Credit impaired	-	-	-	-	-	1,642.10	1,642.10
Disputed trade receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance for trade receivables- Credit impaired	-	-	-	-	-	(1,642.10)	(1,642.10)
Total	**32,754.05**	**9,308.19**	**2,172.37**	**1,968.22**	**1,624.59**	**2,691.68**	**50,519.10**

12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and Cash equivalents		
Balances with banks	2,603.84	3,202.11
Cash on hand	701.58	705.93
	3,305.42	**3,908.04**

13 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Banks held as Margin Money	3,726.82	4,117.23
Total	**3,726.82**	**4,117.23**

14 Other financial assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2023	As at 31st March 2022
Earnest money deposit	864.81	1,034.98
Insurance claim Recoverable	43.98	72.73
Contract Asset Recoverable	427.88	493.79
Total	**1,336.67**	**1,601.50**

15 Current tax assets/(Liability) (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax (net of provision for tax)	9.93	155.98
Total	**9.93**	**155.98**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

16 Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Authorized		
70,000,000 Equity Shares of ₹ 10/- each (Previous year 70,000,000 Equity Shares of ₹ 10/- each)	7,000.00	7,000.00
(b) Issued, Subscribed & Paid Up		
64,300,486 Equity Shares of ₹ 10/- each fully paid up (31st March 2022; 64,300,486 Equity Shares of ₹ 10/- each fully paid)	6,430.05	6,430.05
Total	**6,430.05**	**6,430.05**

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

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount ₹	Number	Amount ₹
Shares outstanding at the beginning of the year	643.00	6,430.05	643.00	6,430.05
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	643.00	6,430.05	643.00	6,430.05

(d) 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.

(e) Shareholders holding more than 5% shares in the Company :-

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Mr. Lalit Seth	8,030,228	12.49	8,030,228	12.49
HPL India Ltd.	17,573,238	27.33	17,573,238	27.33
Havell's Electronics Pvt. Ltd	11,652,130	18.12	11,652,130	18.12

17 Reserves and Surplus

(₹ in Lakhs)

(a) Securities Premium	As at 31st March 2023	As at 31st March 2022
Opening Balance - Securities premium	36,601.35	36,601.35
Add : Received on issue of equity shares	-	-
Less : share issue expenses	-	-
Closing Balance	**36,601.35**	**36,601.35**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Securities premium reserve

Securities premium reserve is used to record the premium on issue of securities. The reserve is utilised in accordance with the provisions of the act.

(₹ in Lakhs)

(b) Capital reserve	As at 31st March 2023	As at 31st March 2022
Opening Balance - Securities premium	(1,933.84)	(1,933.84)
Add/less : Change during the year	-	-
	-	-
Total	**(1,933.84)**	**(1,933.84)**

(₹ in Lakhs)

(b) General Reserve	As at 31st March 2023	As at 31st March 2022
Opening Balance - General reserve	3,788.31	3,788.31
(+) Current Year Transfer	-	-
Closing Balance	**3,788.31**	**3,788.31**

(₹ in Lakhs)

(c) Retained earnings	As at 31st March 2023	As at 31st March 2022
Opening balance - retained earnings	31,563.01	30,942.47
(+) Net Profit/(Loss) For the current year	3,017.79	777.31
(-) Dividend on Equity Shares	(96.45)	(96.45)
(-) Tax on Dividend	-	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(17.95)	(60.32)
Closing Balance	**34,466.40**	**31,563.01**
Total Reserves & Surplus (a+b+c)	**72,922.22**	**70,018.83**

18 Borrowings

(₹ in Lakhs)

Particulars	Non-Current	
	As at 31st March 2023	As at 31st March 2022
Secured		
Term loan from banks	2,623.51	3,888.06
Vehicle loans - from banks**	21.01	15.72
11,000,000,10% Cumulative Compulsorily Redeemable Preference Shares	1,925.00	1,815.00
	-	-
Unsecured		
Loan from related party (refer note 41)	128.34	128.34
Total	**4,697.86**	**5,847.12**

*The term loan is secured as per the note given in note 20 details are below:-

1st pari passu charge on movable fixed assets with FACR 1.33 i.e. 45.63 Crores, 1st pari passu charge on immovable fixed assets and second pari passu charge on current assets of the company upto Rs. 80 Crores with other term lenders and also Personal guarantee of three promoter directors.

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Tata Capital Financial Services term loan interest @ 11.00% p.a. repayable in 36 months installments from Jan, 2020 to January, 2023 which has been extended by 5 installments due to covid moratorium.

Karnataka Bank term loan rate of interest @10.70% repayable in 60 monthly installments from July, 2019 to June, 2024 which extended till March, 2026 due to covid interest and installment moratorium.

SBM Bank (India) Ltd. term loan rate of interest @ 10.25% p.a. repayable in 46 monthly installments, starting from November, 2021 to August, 2025.

DCB Bank Limited term loan rate of interest @ 10.50% p.a. repayable in 30 equal monthly installments starting from April, 2022 to September, 2024.

Bandhan Bank Limited term loan rate of interest @ 11.35% p.a. repayable in 48 equal monthly installments starting from September, 2022 to August, 2026.

"** Vehicles loans are secured against hypothecation of respective vehicles and are repayable in maximum 60 instalments and last date of installment is July, 2025. The loan carries an interest rate @ 9.10% pa.

Term Loan

HDFC Bank Limited term loan is repayable in 48 equal quarterly installments, starting from 2nd February, 2019 and have maturity date of 2nd November, 2022 which extended till May 2023 due to covid interest and installment moratorium and interest is 9.10% p.a. and is secured by 1st pari passu charge over Company's fixed assets (both present and future) including EM of Company's land & building situated at Jabli Himachal Pradesh alongwith Working Capital Lenders and 2nd charge over current Assets of the Company (both present and future).

Working capital term loan under ECLGS Scheme (Guaranteed Emergency Credit Line Scheme)

GECL is secured by extension of charge of Working Capital facilties

HDFC Bank Limited GECL Loan; interest is @ 9.25% p.a. repayable in 48 monthly installments after moratorium of 12 months starting from October, 2022 to September, 2025.

State Bank of India GECL Loan; interest is @9.25% p.a. repayable in 36 monthly installments after a moratorium of 12 months from February, 2022 to January, 2025.

19 Provisions

(₹ in Lakhs)

Particulars	Long-term		Short-term	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
(a) Provision for employee benefits				
Gratuity	565.84	524.77	89.93	83.94
Leave Encashment	-	-	358.34	221.16
	565.84	**524.77**	**448.27**	**305.10**
(b) Other Provisions				
Provision for Warranties	217.81	205.00	132.06	138.94
	217.81	**205.00**	**132.06**	**138.94**
Total	**783.65**	**729.77**	**580.33**	**444.04**

Service warranties

Product warranties:- The company gives warranties on certain products to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of rectification/replacement.

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below: (₹ in Lakhs)

Particulars	Warranty
As at 1st April 2021	**767.87**
Charged/(credited) to profit or loss	
- additional provisions recognised	100.00
- unwinding of discount	7.05
Amounts used during the year	(530.98)
As at 31st March 2022	**343.94**
Charged/(credited) to profit or loss	
- additional provisions recognised	62.65
- unwinding of discount	13.43
Amounts used during the year	(70.15)
As at 31st March 2023	**349.87**

20 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Loans repayable on demand		
-Secured Loans		
- From Banks	52,652.24	50,625.27
- Current maturities of long term borrowings	2,465.12	2,977.61
Total	**55,117.36**	**53,602.88**

Working capital facilities (fund based and non fund based) are availed from consortium of banks led by State Bank of India. The lead bank has linked its interest rate with 6 month MCLR + spread 2.00% p.a. and these working capital facilities are repayable on demand. Working capital facilities are secured by way of first pari passu charge over entire current assets of the Company including stock and receivables both present and future and first charge on pari passu basis over Company's entire fixed assets (excluding movable fixed assets financed by Term Lenders for aggregate term Loans upto Rs. 45.63 Crores in FACR of 1.33 on which Term lenders have first pari passu charge). Working Capital lenders have also 1st pari passu charge by way of EM on land and building with Term Lenders (for Term Loans upto Rs. 45.63 Crores) at Company's 6 manufacturing locations. Working capital facilities and term loans are also secured by personal guarantees of three promoter directors.

Working Capital Facilities

Working capital facilities are availed from consortium of banks led by State Bank of India. The lead Bank has linked its interest rate with 6 months MCLR + spread of 2.00% p.a. and are repayable in demand.

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

Net Debt Reconciliation

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

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalentss	7,032.24	8,025.27
Long term borrowingss	(4,697.86)	(5,847.12)
Short term borrowingss	(55,117.36)	(53,602.88)
Net debt	**(52,782.98)**	**(51,424.73)**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

	Cash and cash equivalents	Long term Borrowings	Current Borrowings	Total
Net debt as at 1st April 2021	**7,853.95**	**(4,397.24)**	**(53,818.16)**	(50,361.45)
Cash flows	171.32	-	-	171.32
Repayment/(Proceeds) working capital loan (net)	-	-	215.28	215.28
Repayment/(Proceeds) secured term loan	-	(1,339.88)	-	(1,339.88)
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2022	**8,025.27**	**(5,847.12)**	**(53,602.88)**	**(51,424.73)**
Cash flowss	(993.03)	-	-	(993.03)
Repayment/(Proceeds) working capital loan (net)	-	-	(1,514.48)	(1,514.48)
Repayment/(Proceeds) secured term loan	-	1,259.26	-	1,259.26
Interest accrued	-	(110.00)	-	(110.00)
Net debt as at 31st March 2023	**7,032.24**	**(4,697.86)**	**(55,117.36)**	**(52,782.98)**

Utilised amount of bank guarantees (performance and bid bonds) as at 31st March 2023 : ₹ 36,453.17/- lakhs (PY ₹ 36,118.11/- lakhs)

21 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Payables		
(a) Due to Micro and Small Enterprises under MSMED Act, 2006* (Refer note 38)	2,341.80	2,324.38
(b) Others	20,665.20	20,539.42
Total	**23,007.00**	**22,863.80**

Trade payable ageing schedule as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	2,341.80	-	-	-	-	2,341.80
Trade payables-Others	3,010.15	17,027.54	161.00	289.61	176.90	20,665.20
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total	**5,351.95**	**17,027.54**	**161.00**	**289.61**	**176.90**	**23,007.00**

Trade payable ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Trade payables-MSME	2,324.38	-	-	-	-	2,324.38
Trade payables-Others	5,456.87	14,671.67	17.81	212.29	180.78	20,539.42
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total	**7,781.25**	**14,671.67**	**17.81**	**212.29**	**180.78**	**22,863.80**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

22 Other financial liabilities

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Expenses Payable	-	-	269.81	326.14
Interest Accrued but not due	-	-	86.40	29.09
Employee Benefits Payable	-	-	1,290.65	1,007.01
Security deposit received	2,835.04	1,295.18	-	-
Factoring of Debtors	-	-	636.29	349.37
Total	**2,835.04**	**1,295.18**	**2,283.15**	**1,711.61**

23 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	1,055.14	366.66
Unpaid Dividend	3.16	2.97
Total	**1,058.30**	**369.63**

24 Revenue from operation

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Products		
Finished Goods	126,220.87	101,395.47
Total	**126,220.87**	**101,395.47**

Particulars of Sale of products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Finished goods		
Metering & Systems	67,002.63	44,411.54
Consumer & Industrial	59,218.24	56,983.93
Total	**126,220.87**	**101,395.47**

25 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income from financial assets at amortised cost	301.41	322.47
Other non-operating income	54.90	97.29
Total	**356.31**	**419.76**

26 Particulars of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Copper	15,472.18	12,900.24
Electronic Components	45,146.57	34,813.63
Engineering Plastic	16,092.45	10,108.90
Packing	1,350.66	1,039.55
Otherss	5,961.00	5,664.10
Total	**84,022.86**	**64,526.42**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

27 Changes in Inventories of Finished Goods and Work-in-Progress and Stock-in- Trade

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventories (at close)		
Finished Goods - at close	8,529.69	9,066.66
Work-in-Progress - at close	15,056.01	14,671.53
	23,585.70	**23,738.19**
Inventories (at commencement)		
Finished Goods - at commencement	9,066.66	9,994.70
Work-in-Progress - at commencement	14,671.53	14,482.71
	23,738.19	**24,477.41**
Total	**152.49**	**739.22**

28 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	13,859.42	11,927.00
Contribution to provident and other funds	275.40	251.81
Staff welfare expenses	246.15	205.17
Total	**14,380.97**	**12,383.98**

29 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Expenses	6,279.51	5,613.87
Other borrowing costs- Bank Charges	1,148.40	1,107.66
Interest expense on financial liabilities measured at amortized cost	110.00	110.00
Total	**7,537.91**	**6,831.53**

30 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment	3,054.03	3,853.42
Depreciation of right-of-use assets	121.31	164.29
Amortisation of intangible assets	661.07	689.94
Total	**3,836.41**	**4,707.65**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

31 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Power and Fuel	1,122.81	1,008.30
Job Work Charges	268.08	173.61
Rent	130.58	98.36
Repairs & Maintenance	1,008.33	1,140.15
Research & Development Expenses	884.92	935.44
Testing Expenses	642.07	372.96
Rates and taxes excluding taxes on income	193.43	169.45
Legal & Professional Expenses	590.30	462.92
Travelling & Conveyance	1,147.92	919.21
Communication Expenses	130.72	174.23
Printing & Stationery	73.74	57.72
Insurance	244.06	210.86
Membership & Subscription	15.48	4.66
Commision on sales	1,064.24	1,257.85
Provision for expected credit loss	138.38	118.19
Advertisement and business promotion	2,903.49	2,596.88
Freight Outward	1,243.37	1,320.82
Product Warranties	112.72	135.37
Loss on sale of Fixed Assets	0.29	3.64
Donation	2.94	1.85
Auditors remuneration	21.20	19.00
Contribution towards Corporate Social Responsibility	36.00	50.81
Miscellaneous Expenses	2.69	0.67
Total	**11,977.76**	**11,232.95**

31(a) Auditor's Remuneration

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Audit Fees	18.95	17.35
Tax Audit Fees	2.25	1.65

31(b) Research & Development Expenditure :-

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Capital Expenditure	20.51	27.87
	20.51	27.87
(ii) Revenue Expenditure		
a) Employee Cost	832.29	862.32
b) Purchase of Raw Materials	39.69	67.66
c) Electricity Expenses	12.94	5.46
	884.92	**935.44**
Total	**905.43**	**963.31**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

31(c) 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 the CSR activities are promoting education especially among children, women, elderly and differently abled; promoting preventive health care and sanitation and providing relief to the poor.

(₹ in Lakhs)

Details of CSR Expenditure	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Gross amount required to be spent by the Company during the year	33.30	51.80
b) Amount spent during year ended 31st March 2023		
Contribution/acquisition of an asset	-	-
Contribution to other purpose other than above	36.00	50.80
Add : Excess spent amount from previous year utilized during the current year	1.24	2.23
Total amount spent	**37.24**	**53.03**
Excess/(short) (a-b)	**3.94**	**1.23**

32 Income tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current tax		
Current tax on profits for the year	855.22	265.63
Total current tax expense	**855.22**	**265.63**
Deferred tax		
Deferred tax expense/(income) for the period	194.03	(29.37)
MAT credit entitlement/Setoff	594.64	271.58
Earlier year MAT Credit w/off	-	105.18
Total deferred tax expense/(benefit)	**788.67**	**347.39**
Income tax expense	**1,643.89**	**613.02**

(₹ in Lakhs)

(a) Reconciliation of tax expense and the accounting profit	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before income tax expense	4,668.78	1,393.48
Tax at the Indian tax rate of 34.944% (31st March 2022 – 34.944%)	1,603.46	476.81
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	5.97	15.13
Research & development expenses	-	(9.74)
Interest due on preference shares	30.60	30.60
Interest on late payment	0.82	5.45
Earlier year MAT credit w/off	-	105.18
Other items	3.04	(10.41)
Income tax expense	**1,643.89**	**613.02**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

33 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Profit after tax	3,017.79	777.31
(ii) Weighted average number of equity shares for basic EPS	643.00	643.00
(iii) Weighted average number of equity shares for dilutive EPS	643.00	643.00
(iv) Nominal value per Equity Shares	10.00	10.00
(v) Earning Per Share (Basic)	4.69	1.21
(vi) Earning Per Share (Dilutive)	4.69	1.21

34 Fair value measurements

(₹ in Lakhs)

Financial instruments by category	31st March 2023		31st March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	60,281.26	-	50,519.10
Loans	-	315.69	-	327.81
Cash and Bank Balances	-	7,032.24	-	8,025.27
Other Financial Assets	-	1,336.67	-	1,601.50
Total financial assets	**-**	**68,965.86**	**-**	**60,473.68**
Financial liabilities				
Borrowings	-	59,815.22	-	59,450.00
Trade payables	-	23,007.00	-	22,863.80
Other Financial Liabilities	-	5,293.47	-	3,303.69
Total financial liabilities	**-**	**88,115.69**	**-**	**85,617.49**

(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

(₹ in Lakhs)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables	-	-	60,281.26	60,281.26
Loans	-	-	315.69	315.69
Cash and bank balances	-	-	7,032.24	7,032.24
Other financial assets	-	-	1,336.67	1,336.67
Total financial assets	**-**	**-**	**68,965.86**	**68,965.86**
Financial liabilities				
Borrowings	-	-	59,815.22	59,815.22
Trade payables	-	-	23,007.00	23,007.00
Other financial liabilities	-	-	5,293.47	5,293.47
Total financial liabilities	**-**	**-**	**88,115.69**	**88,115.69**
As at March 31, 2022				

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Financial assets				
Trade receivables	-	-	50,519.10	50,519.10
Loans	-	-	327.81	327.81
Cash and bank balances	-	-	8,025.27	8,025.27
Other financial assets	-	-	1,601.50	1,601.50
Total financial assets	**-**	**-**	**60,473.68**	**60,473.68**
Financial liabilities				
Borrowings	-	-	59,450.00	59,450.00
Trade payables	-	-	22,863.80	22,863.80
Other financial liabilities	-	-	3,303.69	3,303.69
Total financial liabilities	**-**	**-**	**85,617.49**	**85,617.49**

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

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

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

There are no transfer of levels during the year.

As of 31st March 2023 and 31st March 2022 the fair value of cash and bank balances, trade receivables, 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.

35 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, 2023.

Movement in ECL on trade receivable: (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
At the beginning of year	1,642.10	1,724.08
Provision during the year	138.38	118.19
Bad debts written off	(85.78)	(200.17)
Reversal/adjustment of provision	-	-
Total ECL	**1,694.70**	**1,642.10**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

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)

Particulars	Less than 1 year	1 to 5 years	More than 5 year	Total
31st March 2023				
Borrowings	55,117.36	4,697.86	-	59,815.22
Trade payables	23,007.00	-	-	23,007.00
Lease liability undiscounted	115.59	70.49		186.08
Other financial liabilities	2,283.15	2,835.04	-	5,118.19
Total	**80,523.10**	**7,603.39**	**-**	**88,126.49**
31st March 2022				
Borrowings	53,602.88	5,847.12	-	59,450.00
Trade payables	22,863.80	-	-	22,863.80
Lease liability undiscounted	178.66	146.77		325.43
Other financial liabilities	1,711.61	1,295.18	-	3,006.79
Total	**78,356.95**	**7,289.07**	**-**	**85,646.02**

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 2023. 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 2023.

(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 Company is exposed to risk of changes in borrowing rates. The Board continuously monitors the prevailing interest rates in the market.

Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Sensitivity

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

	Impact on profit after tax	
Particulars	31st March 2023	31st March 2022
Interest rate (increase by 100 basis points)*	(598.15)	(594.50)
Interest rate (decrease by 100 basis points)*	598.15	594.50

* Holding other variables constant

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

(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 receivables and 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

(₹ in Lakhs)

Particulars	31st March 2023		31st March 2022	
	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Trade receivables				
United States Dollar (USD)	18.66	1,533.19	22.58	1,712.79
Australian Dollar (AUD)	0.72	39.73	-	-
Great Britain Pound (GBP)	3.46	350.17	3.01	299.98
Net exposure to foreign currency risk (assets)		**1,923.09**		**2,012.77**
Trade payables				
United States Dollar (USD)	38.61	3,173.09	54.52	4,134.93
Euro (EUR)	0.07	5.88	0.02	1.31
Net exposure to foreign currency risk (liabilities)		**3,178.97**		**4,136.24**

Sensitivity

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation for the period end for 5% 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 2023	31st March 2022
USD sensitivity		
INR/USD - Increase by 1%*	(16.40)	(24.22)
INR/USD - Decrease by 1%*	16.40	24.22
EUR sensitivity		
INR/EUR - Increase by 1%*	(0.06)	(0.01)
INR/EUR - Decrease by 1%*	0.06	0.01
GBP sensitivity		
INR/GBP - Increase by 1%*	3.50	3.00
INR/GBP - Decrease by 1%*	(3.50)	(3.00)
AUD sensitivity		
INR/AUD - Increase by 1%*	0.40	-
INR/AUD - Decrease by 1%*	(0.40)	-

* Holding other variables constant

36. Capital management

(a) Risk 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 2023, 31st March 2022.

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

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Borrowings	59,815.22	59,450.00
Cash and Bank Balances	(7,032.24)	(8,025.27)
Net debt	**52,782.98**	**51,424.73**
Equity	79,534.76	76,624.44
Net debt to equity ratio	66.36%	67.11%

(₹ in Lakhs)

(b) Dividends		31st March 2023	31st March 2022
(i)	Equity shares		
	Final dividend for the year ended 31st March 2022 of INR .15	96.45	96.45
	(31 March 2021 – INR .15) per fully paid share		

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.00/- per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

37. Leases

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

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been included in other financial liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics

(i) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2023.

(₹ in Lakhs)

Particulars	FY 22-23 ROU Asset Leashold Buildings	FY 21-22 ROU Asset Leashold Buildings
Gross carrying value		
As at 01 April	**274.17**	**497.39**
Additions	-	245.69
Deletion during the year	-	(304.62)
Depreciation of Right of use assets	(121.31)	(164.29)
Net carrying value 'As at 31 March	**152.86**	**274.17**

ii) The following is the carrying value of lease liability for the year ended March 31, 2023 (₹ in Lakhs)

Particulars	Leashold Buildings	Leashold Buildings
As at 01 April	**296.90**	**557.67**
Additions	-	245.69
Finance cost accrued during the year	24.04	31.24
Deletion during the year	-	(350.55)
Payment of lease liabilities	(145.66)	(187.15)
Net carrying value 'As at 31 March	**175.28**	**296.90**
Current maturities of Lease Liability (refer note no-21)	104.79	114.49
Non-Current Lease Liability (refer note no -21)	70.49	182.41

Note: The company does not face a significant liquidity risk with regards to its liease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

38 The disclosure pursuant to Micro, Small & Medium Enterprises Act 2006, are as under:

a) Principal amount and the interest due (Interest ₹ Nil) thereon remaining unpaid to any supplier at the period ending 31st March, 2023 ₹ 2,341.80/-(P.Y. ₹ 2,324.38/- Lakhs)

b) 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, 2023 – Nil (P.Y. Nil)

c) 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)

d) Amount of interest accrued and remaining unpaid at the end of the accounting period ending 31st March, 2023 – Nil (P.Y. Nil)

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

39 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, recognized as expenses for the period are as under :

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Employer's contribution to Provident Fund	255.30	230.87
Employer's contribution to ESI	17.67	17.67
Employer's contribution to Welfare Fund	2.44	3.28
Total	**275.41**	**251.82**

b Defined Benefit Plans

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

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

(₹ in Lakhs)

Particulars	Gratuity (Non Funded)	
	As at 31st March 2023	As at 31st March 2022
Defined Benefit obligation at beginning of the year	608.71	521.69
Current Service Cost	79.23	75.35
Past Service Cost	-	-
Interest Cost	44.13	37.81
Benefits paid	(103.25)	(118.85)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	26.95	92.71
Defined Benefit obligation at end of the year	**655.77**	**608.71**

Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Present value of defined benefit obligation	655.77	608.71
Amount recognised in Balance Sheet- Asset / (Liability)	**655.77**	**608.71**

ii) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Current Service Cost	79.23	75.35
Past Service Cost	-	-
Interest Cost	44.13	37.81
Net defined benefit expense debited to statement of profit and loss	**123.36**	**113.16**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

iii) Remeasurement of (Gain)/loss recognised in other comprehensive income

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	26.95	92.71
Recognised in other comprehensive income	**26.95**	**92.71**

iv) Principal assumptions used in determining defined benefit obligation

Mortality table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Discount Rate	7.50 % p.a	7.25 % p.a
Rate of escalation in salary(per annum)	5.00 % p.a	5.00 % p.a
Withdrawal rate (Per Annum)	1 - 5 % p.a	1 - 5 % p.a

a) 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.

b) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

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

(₹ in Lakhs)

Increase / (decrease) on present value of defined benefits obligations at the end of the year	As at 31st March 2023	As at 31st March 2022
Discount Rate		
Increase by 1%	600.81	555.61
Decrease by 1%	719.51	670.67
Salary Increase		
Increase by 1%	720.49	671.44
Decrease by 1%	599.09	554.08
Attrition Rate		
Increase by 1%	666.21	617.91
Decrease by 1%	643.98	598.26

vi) Maturity profile of defined benefit obligation (undiscounted)

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Within the next 12 months (next annual reporting period)	89.94	83.94
Between 2 and 5 years	81.16	73.84
Between 5 and 10 years	484.67	450.93
Total expected payments	**655.77**	**608.71**

vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31st March 2022: 13 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.

x) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

40 Segment Reporting

a) The segment reporting of the Group 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 is organised into business units based on its products and services and has identified two reportable segments viz Metering & systems, Consumer & Industrial on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems.

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

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

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

(₹ in Lakhs)

(A)	Revenue	As at 31st March 2023	As at 31st March 2022
	Segment Revenue		
	Metering & systems	67,002.63	44,411.54
	Consumables & Industrial	59,218.24	56,983.93
		126,220.87	**101,395.47**
(B)	**Results**		
	Segment Results		
	Metering & systems	9,125.95	5,465.27
	Consumables & Industrial	7,003.63	6,061.25
		16,129.58	**11,526.52**
	Unallocated expenses net of income	3,922.89	3,301.51
	Operating Profit	12,206.69	8,225.01
	Interest Expenses	7,537.91	6,831.53
	Profit before tax	4,668.78	1,393.48
	Tax Expenses	1,643.89	613.02
	Profit after tax	**3,024.89**	**780.46**
(C)	**Other Information**		
	Segment Assets		
	Metering & systems	86,636.44	77,701.46
	Consumables & Industrial	81,242.93	82,888.01
	Unallocated	2,193.36	3,195.90
		170,072.73	**163,785.37**
	Segment Liabilities		
	Metering & systems	20,452.89	16,131.23
	Consumables & Industrial	12,175.48	13,447.72
	Unallocated	57,909.60	57,581.98
		90,537.97	**87,160.93**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Capital Expenditure		
Metering & systems	4,095.71	2,291.94
Consumables & Industrial	194.33	780.65
	4,290.04	**3,072.59**
Depreciation		
Metering & systems	1,980.90	2,276.75
Consumables & Industrial	1,855.51	2,430.90
	3,836.41	**4,707.65**
Segment Revenue		
The following is the distribution of Company's revenue by geographical market :-		
Domestic Market	121,619.45	96,536.27
Overseas Market	4,601.42	4,859.20
	126,220.87	**101,395.47**

41 Related Party Disclosure

(i) Name of related parties with and description of relationship :

(A) Entities in which directors are interested:

(1) HPL India Ltd.
(2) HPL Power Corporation Ltd.
(3) Havells Electronics Pvt. Ltd.
(4) Jesons Impex Pvt. Ltd.
(5) Amerex Pvt. Ltd.
(6) Havells Pvt. Ltd.
(7) Seth Inder Narain Trust

(B) Key Management Personnel :

(1) Mr. Lalit Seth
(2) Mr. Rishi Seth
(3) Mr. Gautam Seth
(4) Mr. Vivek Kumar

(C) Non Executive Directors

(1) Mr. Hargovind Sachdev
(2) Mrs. Rashmi Viz
(3) Mr. Dhruv Goyal

(D) Relatives of Key Management Personnel

(1) Mrs. Praveen Seth
(2) Mrs. Pooja Seth
(3) Mrs. Vani Seth

(iii) Key management personnel compensation (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term employee benefits	675.69	618.89
Dividend paid during the year	18.74	18.56
Total Compensation	**694.43**	**637.45**

(iv) Details of tranctions with Related Parties:- (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Purchase of goods		
1. HPL India Ltd	-	647.28
Purchase of services		
1. HPL India Ltd	809.12	361.11

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Purchase of assets		
1. HPL India Ltd	-	72.00
Security deposit Received		
1. Havells Electronics Pvt. Ltd	1,500.00	-
Dividend paid to related parties		
1. Havells Electronics Pvt. Ltd	17.48	17.48
2. Havells Pvt. Ltd	4.26	4.26
3. HPL India Ltd	26.36	26.36
4. Jesons impex Pvt Ltd	0.04	0.04
Transaction with Key Managerial Person Managerial Remuneration		
1. Managerial remuneration	675.69	618.89
2. Dividend paid to related parties	18.74	18.56
3. Director sitting fees	9.90	10.90
4. Loan from directors	-	19.77
Loan taken from entities in which directors are interested		
1. Havells Electronics Pvt. Ltd	-	15.73
2. Havells Pvt. Ltd	-	3.84
3. HPL India Ltd	-	23.75
Transactions with relatvies of Key Managerial person		
1. Dividend paid	3.20	3.20

(v) Summary of outstanding Balances with the above Related Parties for the respective years are as given below:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred receivables		
1. HPL India Ltd	802.74	822.14
Capital advance		
1. HPL India Ltd	528.66	498.37
Security deposit		
1. Havells Electronics Pvt. Ltd	1,500.00	-
Loan outstanding		
1. Havells Electronics Pvt. Ltd	32.23	32.23
2. Havells Pvt. Ltd	7.84	7.84
3. HPL India Ltd	48.00	48.00
4. Directors	40.27	40.27
Financial liability		
11,000,000,10% Cumlative Compulsorily Redeemable Preference Shares		
Mr Lalit Seth	673.75	635.25
Mr Praveen Seth	481.25	453.75
Mr Rishi Seth	385.00	363.00

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

Mr Gautam Seth	385.00	363.00

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2023, The Group 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.

All outstanding balances are unsecured and are repayable in cash

42 a) Interests in other entities

The entities on which the group exercises control as at 31st March 2023 are set out below. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	Ownership interest held by the group (in %)	
			As at 31st March 2023	As at 31st March 2022
Himachal Energy Private Limited	Manufacturing	India	97.15	97.15
HPL Electric & Power Pvt.Ltd.- Shriji Designs	Lighting Projects	India	97	97
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs	Lighting Projects	India	94	94

Name of entity	Principal activities	Place of business/ country of incorporation	Ownership interest held by non-controlling interests (in %)	
			As at 31st March 2023	As at 31st March 2022
Himachal Energy Private Limited	Manufacturing	India	2.85	2.85
HPL Electric & Power Pvt.Ltd.- Shriji Designs	Lighting Projects	India	3	3
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.- Shriji Designs	Lighting Projects	India	6	6

b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Lakhs)

Summarised balance sheet	As at 31st March 2023	As at 31st March 2022
Current assets	8,959.89	7,880.65
Current liabilities	6,612.89	5,360.74
Net current assets	2,347.00	2,519.91
Non-current assets	6,278.76	6,212.31
Non-current liabilities	2,222.39	2,572.08
Net non-current assets	4,056.37	3,640.23

Net assets	**6,403.37**	**6,160.14**
Accumulated NCI	**182.49**	**175.56**

(₹ in Lakhs)

Summarised statement of profit & loss	As at 31st March 2023	As at 31st March 2022
Revenue	10,742.09	8,133.58
Profit for the year	249.21	110.67
Other comprehensive income	(5.98)	(0.10)
Total comprehensive income	**243.23**	**110.57**
Profit allocated to NCI	6.93	3.15
Dividends paid to NCI	-	-

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Cash flows from operating activities	969.29	692.71
Cash flows from investing activities	(431.76)	(443.12)
Cash flows from financing activities	(875.11)	(222.12)
Net increase/ (decrease) in cash and cash equivalents	**(337.58)**	**27.47**

43 Statutory Group information

Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries:

(₹ in Lakhs)

Name of Enterprises	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount
Parent Company				
HPL Electric & Power Ltd	92.84%	73,235.21	91.76%	2,775.73
Subsidiary Companies				
Himachal Energy Pvt Ltd	8.05%	6,403.37	8.24%	249.21
HPL Electric & Power Pvt Ltd-Shriji Designs	-0.06%	(45.22)	0.00%	(0.03)
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs	-0.07%	(58.60)	0.00%	(0.03)
Total	**100.00%**	**79,534.76**	**100.00%**	**3,024.89**

Name of Enterprises	Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount
Parent Company				
HPL Electric & Power Ltd	67.00%	(12.14)	91.91%	2,763.59
Subsidiary Companies				
Himachal Energy Pvt Ltd	33.00%	(5.98)	8.09%	243.23

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

HPL Electric & Power Pvt Ltd-Shriji Designs	0.00%	-	0.00%	(0.02)
HPL Electric & Power Pvt.Ltd. Trimurthi Hitech Co. Pvt. Ltd.-Shriji Designs	0.00%	-	0.00%	(0.03)
Total	**100.00%**	**(18.12)**	**100.00%**	**3,006.77**

44 The Company do not have any outstanding commercial paper period ending 31st March, 2023. (P Y ₹ Nil)

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

46 Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	27.89	35.40

47 Contingent Liabilities:

(₹ in Lakhs)

S.No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
1	Central Excise Act, 1944	Demand for Excise Duty before Add. Comm. LTU, New Delhi for 2008-09	16.40	16.40
2	Central Excise Act, 1944	Demand for Excise Duty before Comm. (A), New Delhi for 2009-10 to 2015-16.	82.49	82.49
3	Finance Act, 1994	Demand for Service Tax Credit before Commissioner Appeal, LTU, Delhi for 2012-13	1.01	1.01
4	Finance Act, 1994	Demand for Cenvat Credit before Commissioner Appeal, LTU, Delhi for 2011-12	1.13	1.13
5	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2008-09	25.51	25.51
6	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Rohtak for 2010-11	17.83	17.83
7	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2009-10	4.78	4.78
8	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2011-12	18.45	18.45
9	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2012-13	10.06	10.06
10	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2010-11	49.22	49.22
11	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Chandigarh for 2011-12	23.19	23.19
12	Haryana Vat Act, 2003	Demand for Sales Tax before Joint Comm., (Appeal), Ambala for 2011-12	4.38	4.38
13	Finance Act, 1994	Show cause notice received towards short payment of Service Tax for 2010-11 to 2014-15	163.04	163.04
14	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi.	8.87	8.87

S.No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
15	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2011-12	23.39	23.39
16	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2012-13	23.67	23.67
17	Haryana Vat Act, 2003	Demand for sales tax before Haryana Tax Tribunal for 2013-14	80.59	80.59
18	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	4.80	72.95
19	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2014-15	12.05	25.35
20	Haryana Vat Act, 2003	Demand for sales tax before Jt. Commissioner (A), Rohtak for 2013-14	18.38	18.38
21	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Final demand after Rectification on 31.07.2017 (Revision Pending)	3.61	3.61
22	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2012-13	1.97	1.97
23	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2013-14	3.73	3.73
24	Haryana Vat Act, 2003	Haryana Tax Tribunal, Chandigarh-Pending for Rectification for 2014-15	0.52	0.52
25	Haryana Vat Act, 2003	Haryana Tax Tribunal-Rohtak-Appeal pending before the Jt.ETC(A),Rohtak for 2010-11	33.95	33.95
26	Haryana Vat Act, 2003	Demand for sales tax before Dy. Excise & Taxation Commissioner (ST),Sonepat for 2014-15	10.14	10.14
27	Haryana Vat Act, 2003	Demand for sales tax before Jt Excise Excise & Taxation Commissioner, Ambala for 2014-15	55.74	55.74
28	Incomet Tax Act, 1961	Income Tax demand before Asstt. Commissioner of Income Tax, Delhi for AY-2017-18	28.72	28.72
29	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	41.89	41.89
30	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2014-15	97.13	97.13
31	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2015-16	75.76	75.76
32	Central Excise Act, 1944	Demand for Excise Duty before Deputy Comm.Central GST Gurgram for 2016-17.	1.72	1.72
33	Finance Act, 1994	Demand for Service Tax Credit before Asstt. Comm. Gurugram for 2015-16 to 2017-18	14.78	14.78
34	Custom Act,1962	Demand for Custom Duty before Adl./Joint Comm./Customs Gr-VA,ACC Import New Custom House New Delhi for 2018-19	22.67	22.67
35	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	73.54	73.54
36	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2016-17	37.23	37.23
37	Employee's Provident Fund Act, 1952	Demand for EPF before EPF appellate, Tribunal, New Delhi for July 2011-Jan 2016	3.02	3.02

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st March 2023

S.No	Name of Statute	Description	As at 31st March 2023	As at 31st March 2022
38	Haryana Vat Act, 2003	Demand for Sales Tax before Haryana Tax, Tribunal, Rohtak for 2017-18	68.87	68.87
39	CGST Act, 2017	Asst. Commissioner CGST division, Parwanoo, jabli Himachal	4.33	-

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.

48 Additional Regulatory information

S No	Particulars	Numerator	Denomiator	Current Year	Previous Year	Variance
1	Current ratio	Current assets	Current liabilities	1.46	1.44	1.39%
2	Debt-Equity ratio	Total Debt (Including lease liabilities)	Shareholder's equity	0.75	0.78	-3.85%
3	Debt service coverato ratio	Earnings available for debt service*	Debt Service**	1.50	1.29	16.28%
4	Return on equity ratio	Net profits after taxes	Average shareholders equity	4.01%	1.07%	274.77%
5	Inventory Turnover Ratio	Revenue from operations	Average Inventory	2.54	2.14	18.69%
6	Trade receibavles turnover ratio	Revenue from operations	Average trade receivables	2.28	1.99	14.57%
7	Trade payable turnover ratio	Net credit pruchases	Average trade payables	3.58	3.42	4.68%
8	Net capital turnover ratio	Revenue from operations	Average working capital	3.48	3.05	14.10%
9	Net profit ratio	Net profits for the year	Revenue from operations	2.40%	0.77%	211.69%
10	Return on capital employed	Profit before interest and taxes	Capital employed***	9.08%	6.24%	45.51%
11	Return on Investments	Profit before interest and taxes	Average total Assets	7.31%	5.10%	43.33%

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

** Interest + Principle repayments

*** Net Worth + Deferred tax liabilities - Deferred Tax Assets + Total debt including lease liabilities

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

(i) Return on equity ratio, Net profit ratio, ROCE and ROI is improved due to growth in revenue with stable margins.

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

(I) Details of Benami property: No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(II) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(III) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(IV) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(V) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(VI) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(VII) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(VIII) The company has not granted any loans or advances in the nature of loans either repayable on demand.

50 Previous year's figure have been regrouped/ re-arranged, wherever considered necessary to make them comparable with corresponding period ending 31st March, 2023.

For and on behalf of the Board

As per our report of even date attached
For Sakshi & Associates
Chartered Accountants

Rishi Seth
Managing Director
DIN- 00203469

Gautam Seth
Joint MD and CFO
DIN- 00203405

Sakshi Kharabanda
Proprietor
M.No. : 523802
F.R.N. : 025099N
UDIN : 23523802BGUWGT3178

Lalit Seth
Director
DIN-00312007

Vivek Kumar
Company Secretary
M.No. A18491

Place : New Delhi
Dated : 29.05.2023

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of **HPL Electric & Power Limited** will be held on Saturday, 30th September, 2023 at 11:00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 1/20, Asaf Ali Road, New Delhi – 110002 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare final dividend of Rs. 1.00 per equity share of face value of Rs. 10/- each for the financial year ended 31st March, 2023.

3. To appoint a director in place of Mr. Gautam Seth (DIN: 00203405), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratification of Remuneration of the Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the company hereby ratifies the remuneration of Rs. 1,00,000 (Rupees one lakh only) plus Service Tax/GST & re-imbursement of out–of–pocket expenses incurred in connection with the cost audit of the Company payable to M/s M.K. Singhal & Co., Cost Accountants (Registration No. 00074), the Cost Auditors who have been appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By order of the board
For **HPL Electric & Power Limited**

Vivek Kumar
Company Secretary and
Compliance officer
M. No. A18491

Date : 9th August, 2023
Place : Noida

Regd. Office: 1/20, Asaf Ali Road,
New Delhi – 110002

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 2/2021 dated 13th January, 2021, 21/2021 dated 14th December 2021 ; 02/2022 dated 5th May 2022 and 10/2022 & 11/2022 dated 28th December 2022 ("MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD1/CIR /P/ 2022/62 dated 13th May 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ("SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing or other audio video means (VC / OAVM) without the physical presence of the members at AGM venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforementioned MCA Circulars, SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence members can attend and participate in the ensuing Annual General Meeting through VC/OAVM.

2. Pursuant to the provisions of Section 105 of the Act, a proxy is allowed to attend and vote at a general meeting on behalf of a Member who is not able to attend personally. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The Company has enabled VC / OAVM facility for participation of members in the AGM. Instructions for participation in the AGM through VC / OAVM are provided under the 'Instructions to Members' section given in the Notice.

4. The business set out in the Notice will be transacted through electronic voting (e-voting) system and the Company is providing e-voting facility. Instructions and other information relating to e-voting are provided under the 'Instructions to Members' section given in the Notice.

5. Corporate members intending to attend the AGM through their authorised representatives are requested to send a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the AGM through e-mail to deepak.kukreja@dmkassociates.in or einward.ris@kfintech.com.

6. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special business specified above is annexed hereto.

7. Information required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') in respect of appointment / re-appointment of directors is furnished in this Notice as "Annexure A".

8. In terms of MCA and SEBI notifications, Notice of the 31st AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those members whose email addresses are registered with the Company/ Depository participants ('DPs'). Members who have not yet registered their email addresses are requested to follow the procedure provided under the 'Instructions to Members' section given in the Notice. Further, the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.hplindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Ltd at www.nseindia.com. The same is also available on the website of KFin at https://evoting.kfintech.com.

9. The Register of Members and Share Transfer Books will remain closed from 24th September, 2023 to 30th September, 2023 (both days inclusive) in connection with Annual General Meeting and for the purpose of payment of dividend, if declared at the meeting.

10. The dividend on the equity shares, if declared at the Annual General Meeting, will be payable subject to deduction of tax at source within 30 days from the date of the Annual General Meeting to those members:

a) Whose names appear as member in the register of member of the company on 23rd September, 2023; and

b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 23rd September, 2023 furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

11. In case the Dividend has remained unclaimed in respect of financial year 2016-17 to 2021-22, the Shareholders may approach the Company or RTA (i.e. Kfin) with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contacts or arrangements in which the directors are interested under section 189 of the Act and all other documents referred in the notice will be available for inspection. Members who wish to inspect the documents can send an email to hplcs@hplindia.com.

13. All correspondence relating to change of address, change in the e-mail address already registered with the company, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to KFin Technologies Limited (KFin), the Registrar and Share Transfer agent ('RTA') of the Company at einward.ris@kfintech.com. Members holding shares in dematerialized form may send such communication to their respective DPs.

14. Members who are holding shares in physical form are advised to submit complete particulars of their bank account to our RTA, at einward.ris@kfintech.com, to facilitate electronic remittance of dividend. This would help avoiding fraudulent encashment of the warrants.

15. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH-13, duly filled in, to the RTA. The prescribed form can be obtained from the RTA or the secretarial department of the Company. Further SEBI vide its Circular dated 16th March 2023 has mandated to furnish Form ISR-3 for opting out of Nomination by physical shareholders in case the shareholder do not wish to register for Nomination.

16. SEBI vide its latest Circular dated 16th March, 2023, in supersession of earlier Circulars in this regard, has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as other KYC documents to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios. The Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after October 01, 2023, such Folios shall be frozen by the RTA.

    SEBI has introduced Form ISR-1 along with other relevant forms to lodge any request for registering PAN, KYC details or any change/updation thereof.

    In terms of the previously mentioned SEBI Circular, effective from 1st January 2022, any service requests or complaints received from the member, are not processed by RTA till the aforesaid details/documents are provided to RTA.

    Members may also note that SEBI vide its Circular dated January

25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are requested to dematerialize the shares held by them in physical form.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR–4. Relevant details and forms prescribed by SEBI in this regard including the mode of dispatch are available on the website of the Company at https://www.hplindia.com/investor-relation.php under "Forms & Downloads". for information and use by the Shareholders. You are requested to kindly take note of the same and update your particulars timely.

Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.

17. Members may note that pursuant to the amendments introduced by the Finance Act, 2020, w.e.f. April 1, 2020, the Company will be required to deduct tax at the applicable rates on the dividend declared and paid to the members. Therefore, members who have not furnished their Permanent Account Number (PAN) are requested to submit a copy of the same immediately to the Company / RTA or to the depository participants, as the case may be, to avoid deduction of tax at a higher rate. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable, to the RTA at https://ris.kfintech.com/form15/.

18. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form, are therefore requested to submit their PAN to their DPs. Members holding shares in physical form may submit their details to RTA.

19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KFin, for consolidation into a single folio.

20. As per regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of this requirement members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

21. To promote green initiative, members are requested to register their e-mail address to receive all communication and documents including annual reports from time to time in electronic form. Members holding shares in dematerialised form may send such communication to their respective DPs and those holding shares in physical form may send such communication to the RTA.

22. Since the 31st AGM is being held in an electronic mode through VC / OAVM, the route map is not provided.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

M/s M.K. Singhal & Co., Cost Accountants (Registration No. 00074) are appointed as the Cost Auditors of the Company by the Board in its meeting held on 9th August, 2023, on the recommendation of the Audit Committee, to conduct the audit of the cost records maintained by the Company in connection with manufacture of SwitchGears, Cables and Lights for the Financial Year ending 31st March, 2024 at a remuneration of Rs. 1,00,000 (Rupees one lakh only) plus Service Tax/GST & re-imbursement of out–of–pocket expenses incurred in connection with the cost audit of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditors as approved by the Board of Directors on the recommendation of Audit Committee, shall be ratified by the members of the Company. Accordingly, consent of the shareholders is sought for ratification of remuneration amounting to Rs. 1,00,000 (Rupees one lakh only) plus Service Tax/GST & re-imbursement of out–of–pocket expenses incurred in connection with the cost audit of the Company.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2024.

None of the Directors/ Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution set forth at Item No. 4 of the Notice for approval of the members as an **Ordinary Resolution.**

By order of the board
For **HPL Electric & Power Limited**

Vivek Kumar
Company Secretary and
Compliance officer
M. No. A18491

Date : 9th August, 2023
Place : Noida

Regd. Office: 1/20, Asaf Ali Road,
New Delhi – 110002

ANNEXURE -A

DETAILS OF DIRECTOR RETIRING AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI

Name of the Director	**Mr. Gautam Seth**
Date of Birth (Age)	02-01-1972 (51 years)
Qualification	Chartered Accountant
Experience	26 years
Date of first Appointment on the Board	15.02.2008
Expertise in Specific functional area/Brief Profile	Mr. Gautam Seth is responsible for the overall functioning and management of the administration. With over 26 years of experience in the field of electrical industry, Mr. Gautam Seth has carried forward the group with pure dedication and commitment. As a Joint Managing Director of the Company, he has been involved foremost in the Group's sales and marketing activities and has spearheaded the Group's various forays into new products and green field projects. A strong vision, exemplary leadership and expertise in the electrical market have enabled him to lead HPL towards the success path.
Terms & Conditions of re-appointment	Executive Director liable to retire by rotation
Relationship with other Directors/Managers and other Key Managerial Personnel	Mr. Gautam Seth is not related to any other director of the Company except Mr. Lalit Seth and Mr. Rishi Seth. Mr. Lalit Seth is a father of Mr. Gautam Seth and Mr. Rishi Seth is a brother of Mr. Gautam Seth.
Directorship held in other companies	HPL India Ltd Havells Electronics Pvt Ltd Jesons Impex Pvt Ltd HPL Power Corporation Ltd Amerex Private Limited Homepunch Private Limited
Chairman/Member of the committee of the Board of Director in other Companies	NIL
Number of Board Meetings attended during the year 2022-23	5
Detail of remuneration last drawn	As per Corporate Governance Report
Shareholding in the Company	2231740 equity shares each of Rs. 10/- face value

INSTRUCTIONS TO MEMBERS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations 2015 and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

   The company has engaged the services of KFin Technologies Limited (KFin) to provide e-voting (including remote e-voting) facility for members to cast their votes in a secure manner. Mr. Deepak Kukreja and Mrs. Monika Kohli, Practicing Company Secretaries will act as the scrutinizer and alternate scrutinizer respectively, to scrutinise e-voting and conduct the voting process at the AGM in a fair and transparent manner. In terms of the requirements of the Act and the Rules made there under, the Company has fixed Saturday, 23rd September, 2023 as the cut-off date. The remote e-voting / voting rights of the members / beneficial owners shall be reckoned on the equity shares held by them as on cut-off date, i.e. 23rd September, 2023.

The remote e-voting facility begins on Wednesday, 27th September, 2023 (9:00 a.m. Indian Standard Time) and ends on Friday, 29th September, 2023 (5:00p.m. Indian Standard Time). During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 23rd September, 2023, are entitled to avail the facility to cast their vote electronically/ voting in the general meeting, as the case may be. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting facility shall be disabled by KFin upon expiry of the aforesaid period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently or cast the vote again.

ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9,2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat accountholders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

v. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

vi. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

INSTRUCTIONS FOR REMOTE E-VOTING, JOINING THE MEETING THROUGH VC / OAVM AND VOTING AT THE MEETING

1. The detailed instructions, process and manner for remote e-voting, joining the meeting through VC / OAVM and voting at the meeting are explained below:

I) Method of login / access to Depositories (NSDL / CDSL) e-voting system in case of individual members holding shares in demat mode

Type of member	Login Method
Individual members holding securities in demat mode with NSDL	**A. Instructions for existing Internet-based Demat Account Statement ("IDeAS") facility Users:** i) Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii) On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii) After successful authentication, members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv) Click on company name, i.e. 'HPL ELECTRIC & POWER LIMITED', or e-voting service provider, i.e. KFin. v) Members will be re-directed to KFin's website for casting their vote during the remote e-voting period and voting during the Meeting.

Type of member	Login Method
	B. Instructions for those Members who are not registered under IDeAS: i) Visit https://eservices.nsdl.com for registering. ii) Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii) Proceed with completing the required filds iv) Follow steps given in point A. **C. Alternatively, instructions for directly accessing the e-voting website of NSDL** i) Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. iii) Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. iv) After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page. v) Click on company name, i.e. HPL ELECTRIC & POWER LIMITED, or e-voting service provider name, i.e. KFin, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the Meeting. vi) Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual members holding securities in demat mode with CDSL	**A. Instructions for existing users who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:** i) Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii) Click on New System MyEasi. iii) Login to MyEasi option under quick login. iv) Login with the registered user ID and password. v) Members will be able to view the e-voting Menu. vi) The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.

Type of member	Login Method
	B. Instructions for users who have not registered for Easi / Easiest i) Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii) Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii) After successful registration, please follow the steps given in point no. A above to cast your vote. **C. Alternatively, instructions for directly accessing the e-voting website of CDSL** i) Visit www.cdslindia.com ii) Provide demat Account Number and PAN iii) System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv) After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz., 'HPL ELECTRIC & POWER LIMITED' or select KFin. v) Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual members login through their demat accounts / Website of Depository Participant	**A. Instructions for login through Demat Account / website of Depository Participant** i) Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. ii) Once logged-in, members will be able to view e-voting option. iii) Upon clicking on e-voting option, members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv) Click on options available against HPL ELECTRIC & POWER LIMITED or KFin. v) Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.	
Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:	
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-23058738** or **022-23058542-43**

II) Method of login / access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode

Type of member	Login Method
Members whose email IDs are registered with the Company / Depository Participants(s)	**A. Instructions for Members whose email IDs are registered with the Company / Depository Participants(s),** Members whose email IDs are registered with the Company / Depository Participant(s) will receive an email from KFin which will include details of E-voting Event Number (EVEN), USER ID and password. They will have to follow the following process: i) Launch internet browser by typing the URL: https://evoting.kfintech.com/ ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) ____, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote. iii) After entering these details appropriately, click on "LOGIN". iv) Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt the member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential. v) Members would need to login again with the new credentials. vi) On successful login, the system will prompt the member to select the "EVEN" i.e., 'HPL ELECTRIC & POWER LIMITED - AGM" and click on "Submit" vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A member may also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head. viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account. ix) Voting has to be done for each item of the Notice separately. In case a member does not desire to cast their vote on any specific item, it will be treated as abstained. x) A member may then cast their vote by selecting an appropriate option and click on "Submit". xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

Type of member	Login Method
Members whose email IDs are not registered with the Company / Depository Participants(s)	**B. Instructions for Members whose email IDs are not registered with the Company / Depository Participants(s), and consequently the Notice of Meeting and e-voting instructions cannot be serviced** i) Members, who have not registered their email address, thereby not being in receipt of the Notice of Meeting and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. ii) Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, members may write to einward.ris@kfintech.com. iii) Alternatively, members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice and the e-voting instructions. iv) After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

III) Method / Access to join the Meeting on KFin system and to participate and vote thereat -

Type of member	Login Method
All shareholders, including Individual, other than Individual and Physical, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting	**A. Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the Meeting of the Company through VC / OAVM and e-voting during the meeting:** i) Members will be able to attend the Meeting through VC / OAVM platform provided by KFin. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFin. ii) After logging in, click on the Video Conference tab and select the EVEN of the Company. iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above. iv) The procedure for e-voting during the Meeting is same as the procedure for remote e-voting since the Meeting is being held through VC / OAVM. v) The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the Meeting. vi) E-voting during the Meeting is integrated with the VC / OAVM platform and no separate login is required for the same.

OTHER INSTRUCTIONS FOR JOINING THE MEETING THROUGH VC / OAVM

i. Members will be able to attend the Meeting through VC / OAVM or view the live webcast of the Meeting at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the 'EVEN' for Company's Meeting. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, members can also use the OTP based login for logging into the e-voting system.

Members may join the Meeting through laptops, smartphones, tablets or ipads for better experience. Further, members are requested to use internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

ii. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum for the meeting under Section 103 of the Act.

iii. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iv. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

v. Members are requested to attend and participate at the Meeting through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during Meeting. The facility of e-voting during the Meeting will be available to those members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the Meeting through VC / OAVM, but will not be entitled to cast their vote once again on the resolutions. If a member casts votes by both modes, i.e. voting at Meeting and remote e-voting, voting done through remote e-voting shall prevail and vote at the Meeting shall be treated as invalid.

vi. Facility of joining the Meeting through VC / OAVM shall open 30 (thirty) minutes before the time scheduled for the Meeting and shall be kept open throughout the Meeting. Members will be able to participate in the Meeting through VC / OAVM on a first-come-first-serve basis. Up to 1,000 shareholders will be able to join the Meeting on a first-come-first-serve basis.

Large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction of first-come first-serve basis.

vii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

viii. **SPEAKER REGISTRATION:** Members, holding shares as on the Cut-off Date and who would like to speak or express their views or ask questions during the Meeting may register themselves as speakers at https://emeetings.kfintech.com and clicking on "Speaker Registration" during the period from 26th September, 2023 (9:00 a.m. IST) up to 27th September, 2023 (5.00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the Meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the Meeting.

ix. **POST YOUR QUESTION:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 9:00 AM on 26th September, 2023 to 5:00 PM on 27th September, 2023.

x. In case of any query and / or assistance required, relating to attending the Meeting through VC / OAVM mode, members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of https://evoting.kfintech.com or contact Mr. Ganesh Chandra Patro, Senior Manager, KFin at the email ID evoting@kfintech.com on KFin's toll free No.: 1-800-309-4001 for any further clarifications / technical assistance that may be required.

xi. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 23rd September, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

xii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

   1. Example for NSDL:
      MYEPWD <SPACE> IN12345612345678

   2. Example for CDSL:
      MYEPWD <SPACE> 1402345612345678

   3. Example for Physical:
      MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .

xiii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, there after unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the report to the Chairman of the company or a person authorized by him in writing in that respect ,as per the provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015, who shall countersign the same and declare the results of the voting forthwith as per the Statutory timelines.

xiv. The voting results declared along with the scrutinizer's report will be placed on the company's website www.hplindia.com and on the website of KFin at https://evoting.kfintech.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).

xv. The transcript of this annual general meeting shall be made available on the website of the company i.e www.hplindia.com.

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HPL Electric & Power Limited